

DESUN 德商产投服务

创 造 美 好 福 流 生 活

德商产投服务集团有限公司

DESUN REAL ESTATE INVESTMENT SERVICES GROUP CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2270



**DESUN
FLOW LIFE**

ANNUAL REPORT 2025

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DEFINITIONS

In this annual report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

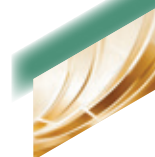
“area under management”	contracted GFA of properties that have been delivered, or are ready to be delivered, for which we have started to provide property management services
“Articles of Association” or “Articles”	articles of association of our Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“CEO” or “Chief Executive Officer”	chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chengdu Desun”	Chengdu Desun Real Estate Investment Property Service Co., Ltd (成都德商產投物業服務有限公司), formerly known as Chengdu Desun Investment Management Co., Ltd. (成都德商投資管理有限公司) at the time of establishment, a company incorporated in the PRC on 12 March 2010 with limited liability and an indirect wholly owned subsidiary of our Company
“Chief Financial Officer”	chief financial officer of the Company
“China” or “PRC”	People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires otherwise, references in this annual report to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company” or “Our Company”	Desun Real Estate Investment Services Group Co., Ltd. (德商產投服務集團有限公司) (formerly known as Desun Real Estate Investment Services Limited), an exempted company incorporated in the Cayman Islands with limited liability on 10 December 2020
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, unless the context requires otherwise, refers to Mr. Zou Kang, Ms. Zou Jian, Sky Donna and Pengna Holding

DEFINITIONS

“Debts Settlement Agreements”	the Debts Settlement Agreements dated 22 December 2023 entered into among the Company, the Debtors and the Vendors in relation to the Debts Settlement Agreement I, the Debts Settlement Agreement II, the Debts Settlement Agreement III, the Debts Settlement Agreement IV, the Debts Settlement Agreement V, the Debts Settlement Agreement VI, the Debts Settlement Agreement VII, the Debts Settlement Agreement VIII, the Debts Settlement Agreement IX and the Debts Settlement Agreement X
“Deed of Non-competition”	the deed of non-competition dated 22 November 2021 and given by our Controlling Shareholders in favour of our Company (for itself and as trustee for its subsidiaries), as detailed in the paragraph headed “Report of the Directors — Deed of Non-competition” in this annual report
“Dehenghong”	Chengdu Dehenghong Commercial Management Co., Ltd.* (成都德恒鴻商業管理有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company
“Desun Gaoxin”	Chengdu Desun Gaoxin Real Estate Co., Ltd.* (成都德商高欣置業有限公司), a company established in the PRC with limited liability which is ultimately controlled by Mr. Zou Kang (a non-executive Director and a Controlling Shareholder of the Company) and Ms. Zou Jian (a Controlling Shareholder of the Company)
“Desun Group”	companies in which Mr. Zou Kang has control or joint control, and has significant influence
“Desun Property Group”	Chengdu Yicheng Property Co., Ltd.* (成都宜成置業有限公司) (formerly known as Chengdu Desun Property Co., Ltd.* (成都德商置業有限公司), a company controlled by Mr. Zou Kang) and its subsidiaries, joint ventures and associates
“Desun Yongrun”	Chengdu Desun Yongrun Commercial Management Co., Ltd.* (成都德商永潤商業管理有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company
“Desun Yuanhong”	Chengdu Desun Yuanhong Commercial Management Co., Ltd.* (成都德商遠泓商業管理有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company
“Director(s)”	the directors of the Company
“GFA”	gross floor area

DEFINITIONS

“Global Offering”	the Hong Kong public offering and the international offering of the Shares
“Green Real Estate”	Sichuan Desun Smart Green Real Estate Co., Ltd.* (四川德商智慧綠色置業有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”, “our Group”, “our”, “we” or “us”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	17 December 2021, being the date of listing of the Shares of the Company on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Nomination Committee”	the nomination committee of the Board
“Pengna Holding”	Pengna Holding Limited, a company incorporated in the BVI on 4 December 2020 with limited liability, which is wholly owned by Ms. Zou Jian
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme effective as of 27 April 2021
“Prospectus”	the prospectus of the Company dated 30 November 2021
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the year ended 31 December 2025
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the share capital of our Company with a nominal value of US\$0.0001 each
“Shareholder(s)”	holder(s) of our Share(s)
“Sky Donna”	Sky Donna Holding Limited, a company incorporated in the BVI on 4 December 2020 with limited liability, which is wholly owned by Mr. Zou Kang and is one of the Controlling Shareholders



DEFINITIONS

“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“value-added services for property owners”	including value-added services provided to property owners and tenants
“Zhongneng”	Chengdu Zhongneng Property Management Company Limited (成都中能物業管理有限責任公司), a company incorporated with limited liability in the PRC on 16 May 2006 and an indirect wholly owned subsidiary of our Company
“Zhongneng Group”	Zhongneng and its subsidiaries

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Director

Mr. Zou Kang

Executive Directors

Mr. Zhang Zhicheng

(Chairman and Chief Executive Officer)

Ms. Wan Hong

Mr. Liu Jun

Mr. Shao Jiazhen

Ms. Zhu Na

Independent Non-executive Directors

Mr. Fang Liqiang

Mr. Chen Di

Mr. Yan Hong

AUDIT COMMITTEE

Mr. Yan Hong *(Chairman)*

Mr. Chen Di

Mr. Fang Liqiang

REMUNERATION COMMITTEE

Mr. Fang Liqiang *(Chairman)*

Mr. Yan Hong

Ms. Wan Hong

NOMINATION COMMITTEE

Mr. Zhang Zhicheng *(Chairman)*

Mr. Fang Liqiang

Mr. Chen Di

Mr. Yan Hong (appointed on 13 November 2025)

Ms. Wan Hong (appointed on 13 November 2025)

AUTHORISED REPRESENTATIVES

Ms. Wan Hong

Ms. Ng Ka Man

REGISTERED OFFICE

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 1803, Block A

Desun International

No. 1480 North Section of Tianfu Avenue

High-tech Industrial Development Zone

Chengdu

China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman KY1-9008 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong

Investor Services Limited

Shops 1712-1716

17th Floor Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

AUDITOR

BDO Limited

Registered Public Interest Entity Auditor

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

CORPORATE INFORMATION

JOINT COMPANY SECRETARIES

Ms. Wan Hong
Ms. Ng Ka Man (*ACG, HKACG*)

LEGAL ADVISER

As to Hong Kong law:
Jingtian & Gongcheng LLP
Suites 3203–3209, 32/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited,
Chengdu Branch
Bank of China Limited, Chengdu Branch,
Development Zone West Sub-branch
China Merchants Bank Co., Ltd., Chengdu Branch

COMPANY WEBSITE

www.desunhui.com

STOCK CODE

2270

DATE OF LISTING

17 December 2021



DESUN 德商产投服务



CHAIRMAN'S STATEMENT

Dear Shareholders, Partners and all Colleagues,

Since our Listing, the Group has remained committed to the strategy of “becoming a company with asset operation and management as its core business”, continuously integrating resources and gradually building an integrated asset management business model centered on fundraising, investment, operation and management, and investment exit.

We are currently in a critical transition phase in China’s asset market from “incremental development” to “stock operation”. This, coupled with the current value reversion of the domestic alternative asset market and the accelerated integration of the global digital economy with real industries, has provided a window of opportunity for the Group’s accelerated growth.

CHAIRMAN'S STATEMENT

In 2025, Desun Real Estate Investment Group leveraged synergies across the entire asset operation chain to achieve dual growth in both revenue and profit, maintaining its positive development momentum. The property services business maintained steady growth, while the asset operation and management business also sustained rapid development. During the year, with “customers, partners, and employees” as the three core principles serving as the foundation of our corporate survival, we elevated the professional standards of our property services to new heights. We continued to build a professional asset operation and management team, connected with over 10,000 merchants and more than 100 industrial resources, steadily improved customer favorable ratings and partner satisfaction levels, and created better platforms for our employees to showcase their talents. During the Reporting Period, leveraging three major product lines as carriers of product value, the occupancy rate of our commercial and office assets remained stable at over 90%. Our digital economy industrial parks integrated resources from over 4,000 enterprises, and we launched 24 “Neighbourhood Hubs” (有鄰生活館) in residential communities. By harnessing technological innovation as an engine for accelerated development, we implemented AI applications, injecting new “technological momentum” into our operations. Furthermore, the Group bridged front-end fundraising/investment with back-end exit capabilities, creating a truly closed-loop asset management system across the entire chain. By strategically investing in industries aligned with urban assets, we have formed four core systems encompassing “fundraising, investment, management, and exit”, achieving a comprehensive business model upgrade from purely property services to professional asset management.

In 2026, leveraging our mature asset operation capabilities, the Group will continue to strengthen front-end capital raising and investment deployment, while refining back-end value realization and exit channels, and persistently optimize the integrated “fundraising, investment, management and exit” asset management business model we have established. Through coordinated efforts in “precision in fundraising and investment, professionalism in operation, quality in service, efficiency in exit, and digitalization in management”, we will strategically invest in industries aligned with urban assets and refine the “operation-based, capital-driven” business system. We firmly believe that by adhering to the “user-centric” philosophy and relying on our integrated model and comprehensive business system, 2026 will mark the beginning of the Group’s leapfrog growth.

Dear Shareholders, partners and colleagues, though the road ahead is long and arduous, with action, we will reach our destination. Thank you for your trust, dedication, and continued support. In 2026, the Group will seize market opportunities with long-term strategic focus and innovative courage. We aim to build a high-quality, sustainable development pattern that transcends market cycles, striving to become a leading asset management platform in the industry. Together with our partners, our team will create better value for our clients’ assets and deliver improved returns for our Shareholders and investors.

Zhang Zhicheng

Chairman, Chief Executive Officer and Executive Director

Chengdu, 27 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF PERFORMANCE

- Total revenue of the Group for the year ended 31 December 2025 increased by 7.7% to RMB488.4 million from RMB453.5 million for the year ended 31 December 2024.
- Profit after income tax for the year ended 31 December 2025 amounted to RMB40.7 million, representing an increase of 7.4% compared to that of RMB37.9 million for the year ended 31 December 2024.
- For the year ended 31 December 2025, basic earnings per share attributable to equity holders of the Company amounted to RMB6.02 cents (2024: RMB6.51 cents). For the year ended 31 December 2025, diluted earnings per share attributable to equity holders of the Company amounted to RMB5.72 cents (2024: RMB6.48 cents).

	Year ended 31 December			
	2025 RMB'000	2024 RMB'000	Change RMB'000	%
Revenue	488,373	453,512	34,861	7.7
Gross profit	105,664	99,828	5,836	5.9
Gross Profit Margin (%)	21.6%	22.0%		
Net Profit	40,736	37,905	2,831	7.4
Net Profit Margin (%)	8.3%	8.4%		
Other comprehensive income Items that may be reclassified subsequently to profit or loss: Exchange differences arising on translation of financial statements of foreign operations	22	—	22	N/A
Profit and Total Comprehensive Income for the Year	40,758	37,905	2,853	7.5
Earnings Per Share				
Basic	RMB6.02 cents	RMB6.51 cents		
Diluted	RMB5.72 cents	RMB6.48 cents		

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2025, the property management industry encountered a strategic period of opportunity for value reconstruction amidst the deep adjustments of the stock era. Policy directions continued to send clear signals, injecting new impetus into the industry's development. In July 2025, the Central Urban Work Conference noted that China's urbanisation had entered a phase of steady development, with the focus of urban work shifting from "large-scale incremental construction" to "enhancing the quality and efficiency of existing stock" and deployed key tasks encompassing "one optimisation and six constructions", which signalled that the strategic position of the property management industry, as a core force in urban operations, would in the future become deeply intertwined with national strategies such as urban renewal, grassroots governance and livelihood security. In August of the same year, the Opinions on Promoting High-Quality Urban Development further established property management as a crucial link in improving living standards, enhancing grassroots governance, and building "good homes" and complete communities, emphasising the implementation of initiatives to improve property service quality. Against the backdrop of "improving property service quality" becoming a frequent policy keyword, the industry's positioning is progressively upgrading from a "guardian of property services" to a "deep participant in urban asset management".

Industry regulation continued to standardise, with policy implementation becoming more precise. The regulatory framework was continuously refined in areas such as the transparency of property service fee charging, the standardisation of service disclosures, and the systematisation of service quality evaluation. This aimed to rectify market irregularities and guide the industry onto a track of healthy, orderly and standardised development.

The competitive focus shifted from scale expansion to refined operations and expansion of existing stock. The industry moved away from extensive growth. On one hand, enterprises achieved quality growth in management scale through market-based expansion. On the other hand, they actively revitalised existing resources, expanding into diverse business formats such as community commerce and urban services to carve out a high-quality second growth curve.

Digital transformation deepened, with technology driving a reshaping of services. The integrated application of technologies such as artificial intelligence and robotics is propelling the evolution of property management services towards intelligence and refinement, providing core support for cost reduction, efficiency enhancement and experience improvement.

Concurrently, the development of financial innovation tools such as public REITs is profoundly reshaping the value logic of urban assets, providing efficient pathways and liquidity solutions to revitalise existing real estate. This places new demands on property enterprises: they must continuously transcend the traditional functional boundaries of "four safeguards and one service" and transition towards full lifecycle asset management services. They must seize the opportunities of the stock era and achieve a leap from "single property management" to "comprehensive asset operation".

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Facing structural adjustments in the industry and an increasingly competitive environment, the Group adhered to a long-term perspective, focusing on urban assets and continuously strengthening its comprehensive asset management capabilities. This has resulted in the formation of three core product lines: commercial and residential communities, commercial industrial complexes, and digital economy industrial parks. Through deep engagement in the existing property market, expansion of service scenarios, and focus on core operations, the Group has progressively developed a comprehensive service ecosystem covering the full lifecycle of assets. This has ultimately resulted in the formation of three synergistic business segments: property services, asset operation, and investment and development.

During the Reporting Period, the Group's business mainly included three segments: (i) property services segment: primarily comprising property management services and other value-added services as well as carpark space sales; (ii) asset operation services segment: primarily including office building sublease services, commercial operation services, commercial property management and other related services as well as e-commerce live-streaming services; and (iii) investment and development segment: primarily covering home decoration and refurbishment services.

FINANCIAL REVIEW

During the year ended 31 December 2025, the Group recorded revenue of RMB488.4 million, representing an increase of 7.7% compared to the same period of 2024, mainly attributable to the expansion of the property service management scale; gross profit of approximately RMB105.7 million, representing an increase of 5.9% compared to the same period of 2024; and gross profit margin of 21.6%, remaining stable compared to the same period of 2024. The Group's net profit after tax for the year ended 31 December 2025 was RMB40.7 million, representing an increase of 7.4% compared to RMB37.9 million for the same period of 2024, which was mainly due to the continuous expansion of the property service management scale and the growth in investment income from associates.

Revenue and its Composition

	31 December 2025		31 December 2024		Year-on-year change %
	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %	
Business segment					
Property services	321,909	65.9	287,129	63.3	12.1
Asset operation services	149,083	30.5	141,486	31.2	5.4
Investment and development	17,381	3.6	24,897	5.5	-30.2
	<u>488,373</u>	<u>100.0</u>	<u>453,512</u>	<u>100.0</u>	<u>7.7</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the Reporting Period, the Group recorded revenue of RMB488.4 million, representing a year-on-year increase of 7.7% as compared to RMB453.5 million for the year ended 31 December 2024, mainly attributable to the expansion of the property service management scale.

The Group's revenue was primarily generated from three business segments: (i) property services; (ii) asset operation services; and (iii) investment and development. During the Reporting Period, (i) revenue generated from property services was RMB321.9 million, which accounted for 65.9% of the Group's total revenue, representing a year-on-year increase of 12.1% as compared to RMB287.1 million for the corresponding period in 2024; (ii) revenue generated from asset operation services was RMB149.1 million, which accounted for 30.5% of the Group's total revenue, representing a year-on-year increase of 5.4% as compared to RMB141.5 million for the corresponding period in 2024; and (iii) revenue generated from investment and development was RMB17.4 million, which accounted for 3.6% of the Group's total revenue, representing a year-on-year decrease of 30.2% as compared to RMB24.9 million for the corresponding period in 2024.

Property Services

During the Reporting Period, the Group's property services segment generated RMB321.9 million in revenue, contributing 65.9% to the Group's total revenue, which represents a 12.1% year-on-year growth from RMB287.1 million in 2024, which was mainly due to the Group's deepening its presence in the existing property market and steadily expanding management scale.

The Group's property services segment primarily encompasses basic property management services and other value-added services. Basic property management services include daily operations and maintenance such as security, cleaning, repairs, and landscaping for diverse property types including residential and ancillary commercial facilities. Other value-added services extend into areas like residential living services, retail, asset brokerage, and community event operations, centred around residents' daily living scenarios, which are dedicated to building a comprehensive service ecosystem that covers the entire lifecycle of residents' needs.

During the Reporting Period, the Group's property services segment adhered to the development strategy of "deepening existing and expanding incremental (深耕存量、拓展增量)", upholding the customer philosophy of "being user-centred, creating value for customers and delivering perceptible value to customers". While continuously strengthening its established operations, the Group actively explored external markets, fostering a development trajectory characterized by coordinated progress in service enhancement, organisational efficiency, brand strengthening, and scale growth.

In the operation of existing projects, our focus remains on enhancing service quality and deepening user relationships to continuously solidify our core business foundation:

- I. Establishing an efficient and closed-loop customer feedback mechanism to ensure timely response and implementation of user needs. Through standardised and refined services, the Group consistently improved residents' satisfaction, reinforcing the cash flow foundation for business development.
- II. Developing a diversified value-added service system around the daily life scenarios of residents, covering areas such as residential living services, retail, asset brokerage, and community amenities. By systematically tapping into the economic potential of the community, the Group aimed to cultivate new sources of revenue growth.

MANAGEMENT DISCUSSION AND ANALYSIS

- III. Leveraging the “Neighbourhood” community brand to continuously organise online and offline community activities, including parent-child events, sports, and cultural programs. Upgrading the traditional “counter-style” property service centre into an open and shared “Neighbourhood Life Centre” (有鄰生活中心), actively fostering a community atmosphere of “neighbours with bonds, joy and love”, effectively enhancing user belonging and engagement.

In terms of scale expansion, we have steadily built a strong brand image and market reputation through market competition, leveraging our solid operational expertise cultivated over many years in the industry, a mature service system, and a professional and efficient team. We have successfully secured multiple high-quality projects through market-driven expansion, leveraging our superior service quality and comprehensive operational capabilities. This has enabled steady growth in our managed portfolio, further enhancing the resilience and sustainability of our business development. During the Reporting Period, the Group’s area under management steadily increased to 11.9 million square meters, representing an increase of 11.8% as compared to the same period of the prior year.

Asset Operation Services

During the Reporting Period, the revenue from the Group’s asset operation services segment amounted to RMB149.1 million, accounting for 30.5% of the Group’s total revenue, representing an increase of 5.4% as compared to RMB141.5 million for the year 2024, mainly due to the expansion of the business scale.

The Group’s asset operation segment relies on various business models such as entrusted operation, profit-sharing cooperation, commercial leasing operations, and lease holding. It builds a dual-driven value enhancement system around the “building economy” and “industrial ecosystem”. We focus on three core businesses: office building leasing, commercial asset management, and industrial park operations. Through full-chain professional service capabilities, we continuously improve the layout of industrial spaces in key areas of Chengdu.

During the Reporting Period, our office building brands, relying on solid operational strength, have maintained an overall occupancy rate of over 90%. At the same time, the Group has deepened collaboration with strategic partners, focusing on formats like industrial complexes and digital economy industrial parks. Through resource integration and joint expansion, we have injected new growth momentum into the Group’s development.

Investment and Development

During the Reporting Period, the revenue from the Group’s investment and development segment amounted to RMB17.4 million, accounting for 3.6% of the Group’s total revenue, representing a decrease of 30.2% as compared to RMB24.9 million for the year 2024.

As an important strategic component of the Group’s efforts to promote business diversification and cultivate future growth points, the investment and development sector primarily generates revenue from home decoration and refurbishment services, while further expanding its presence in business areas including entrusted construction management, asset investment and digital finance. This sector is still in the early stages of cultivation and capacity building and has not yet made a significant contribution to the Group’s overall performance. In the face of changing market conditions and industry competition, we will continue to promote effective business integration and steady growth through internal resource coordination and industrial chain integration.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

During the Reporting Period, cost of sales amounted to RMB382.7 million, representing an increase of 8.2% as compared to RMB353.7 million for the corresponding period in 2024, which was mainly due to the continuous increase in the Group's cost inputs driven by the expansion of the business scale of the Group.

Selling Expenses

During the Reporting Period, selling expenses amounted to RMB5.4 million, representing a decrease of 53.0% as compared to RMB11.5 million for the corresponding period in 2024, which was mainly due to the decrease in sales commissions and other related expenses as the Group's relevant businesses entered a mature stage.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2025, the gross profit was RMB105.7 million, representing an increase of 5.9% as compared to RMB99.8 million for the corresponding period in 2024. The gross profit margin was 21.6%, remaining stable compared to the same period of 2024.

Other Income and Other Gains or Losses, Net

Our other income and gains mainly consist of government grants, forfeited deposits, interest income and foreign exchange (losses)/gains, net. Other income and gains decreased by RMB1.3 million, or 10.2% from RMB12.7 million for the year ended 31 December 2024 to RMB11.4 million for the year ended 31 December 2025, which was mainly due to the change from foreign exchange gains in 2024 to foreign exchange losses in 2025 as a result of fluctuations in exchange rates.

Administrative Expenses

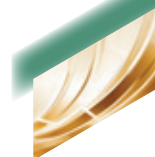
Our administrative expenses mainly consist of labour costs, business entertainment expenses, office expenses, staff dormitories and office space expenses, promotion expenses, transportation expenses, tax expenses, special service expenses, depreciation and amortisation, lease expenses and others. Administrative expenses of our Group increased by RMB5.3 million, or 13.9% from RMB38.2 million for the year ended 31 December 2024 to RMB43.5 million for the year ended 31 December 2025, which was mainly due to the increase in staff costs resulting from the equity incentives.

Provision for Impairment Losses on Trade Receivables, Net

The net provision for impairment of trade receivables for the year ended 31 December 2025 was RMB7.1 million as compared to the net provision for impairment of trade receivables for the year ended 31 December 2024 of RMB2.3 million, which was mainly due to the increase in the impairment provision based on prudential considerations.

Provision for Impairment Losses on Deposits and Other Receivables, Net

The net provision for impairment losses on deposits and other receivables increased from RMB0.5 million for the year ended 31 December 2024 to RMB1.1 million for the year ended 31 December 2025 which was mainly due to the increase in impairment provisions made on a prudent basis, as other receivables increased in line with business development.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

Our finance costs for the year ended 31 December 2025 amounted to RMB16.0 million, representing an increase from RMB15.2 million for the year ended 31 December 2024, which was mainly due to the interest expenses on bank borrowings.

Other Expenses

We incurred other expenses of RMB1.2 million for the year ended 31 December 2025, representing an increase as compared to other expenses of RMB1.1 million for the year ended 31 December 2024, which was mainly due to the impact of business expansion.

Share of Profit of Associates

Our share of profit of associates for the year ended 31 December 2025 amounted to RMB6.3 million, representing an increase from RMB1.6 million for the year ended 31 December 2024, which was mainly due to the increase of operating income generated by the associates.

Profit before Income Tax

The Group's profit before income tax during the year increased by RMB3.9 million, or 8.8% from RMB44.3 million for the year ended 31 December 2024 to RMB48.2 million for the year ended 31 December 2025.

Income Tax Expenses

Our income tax expenses increased by 17.2% from RMB6.4 million for the year ended 31 December 2024 to RMB7.5 million for the year ended 31 December 2025, primarily due to the increase in profit before income tax.

Profit for the Reporting Period

As a result of the changes discussed above, our net profit for the Reporting Period increased by 7.4% from RMB37.9 million for the year ended 31 December 2024 to RMB40.7 million for the year ended 31 December 2025, and our net profit margin for the Reporting Period decreased from 8.4% for the year ended 31 December 2024 to 8.3% for the year ended 31 December 2025.

Property and Equipment

Property and equipment mainly consist of electric devices and leasehold improvements, which decreased from RMB97.4 million as at 31 December 2024 to RMB94.0 million as at 31 December 2025. Such decrease was mainly due to the provision for depreciation.

Investment Properties

Investment properties consist of residential and commercial properties located in the PRC that are held to earn rentals or for capital appreciation, or both. Investment properties decreased from RMB232.4 million as at 31 December 2024 to RMB211.5 million as at 31 December 2025, which was mainly attributable to the provision for depreciation.

MANAGEMENT DISCUSSION AND ANALYSIS

The details of the significant properties held by the Group for investment purposes are set out below:

Name of the project	Address	Usage	Holding Method
Lingxian Times Project (領先時代項目)	Office property on the 2nd and 4th-13th floors of Building 3, Lingxian Times Project, No. 3 Xingke Middle Road, Jinniu District, Chengdu, Sichuan, China	Office	Held under a long-term lease
Dingsheng • Times Project (鼎晟 • 時代項目)	Office and ground floor commercial properties on 1st-10th floors of Building 3, Dingsheng • Times Project, No. 85, 1st Wuke West Road, Wuhou District, Chengdu, Sichuan, China	Office	Held under a long-term lease
Desun • Yujing Tianjiao Project (德商 • 御景天驕項目)	Office property on 3rd-31st floors of Building 6, Desun • Yujing Tianjiao Project, No. 158, Guandong 3rd Street, Gaoxin District, Chengdu, Sichuan, China	Office	Held under a long-term lease

Other Intangible Assets

We recognised other intangible assets of RMB6.9 million as at 31 December 2025, which mainly include the customer relationships arising from the acquisitions of Zhongneng Group and Green Real Estate, calculated using the straight-line method over the expected useful life (2 years to 10 years) based on the past experience of the renewal model of property management contracts and the expected duration of the contracts.

Goodwill

Goodwill arose out of our acquisition of Zhongneng Group in 2020, which resulted in the recognition of goodwill of RMB9.2 million.

Trade Receivables

Trade receivables mainly arise from property management services and certain value-added services. Trade receivables of our Group decreased from RMB189.6 million as at 31 December 2024 to RMB169.3 million as at 31 December 2025, primarily due to the Group's strengthened recovery efforts for receivables during the Reporting Period, which resulted in a decrease in the overall balance of trade receivables. The Company's primary customer base comprises individual customers, property developers, and other corporate customers. As of 22 April 2026, the Company had subsequently settled trade receivables amounting to RMB39.1 million. To ensure the orderly collection of receivables, the Company has established a regular management mechanism, conducting systematic analysis and review of the formation background, historical evolution, and underlying reasons for the receivables on both a regular and ad-hoc basis. For different customer types, the Company adopts a variety of collection measures, including but not limited to sending collection letters, engaging in on-site communication and negotiation, implementing debt settlement with assets and initiating legal action. Meanwhile, the Company actively assists customers in revitalizing their assets, such as by helping to lease or sell vacant properties to enhance their cash flow repayment capacity. Additionally, the Company promotes payment collection through organizing community cultural activities, improving service quality, and offering property-related incentives.

MANAGEMENT DISCUSSION AND ANALYSIS

As of 22 April 2026, the Company has reasonably confirmed that the recoverable amount of trade receivables is RMB0.4 million. The Company has reached debt settlement agreements with customers, wherein the value of the assets involved in the agreements exceeds the book value of the receivables and will be deducted from the receivables in the future. Apart from the reasonably confirmed recoverable receivables already held by the Company, the remaining trade receivables are subject to the determination of ECL loss rates using the provision matrix method under the simplified approach of Hong Kong Financial Reporting Standard 9 (HKFRS 9).

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables mainly comprise deposits paid for performance and project tendering, advances to staff, payment on behalf of residents relating to utilities and borrowings provided to associates. Our Group's prepayments, deposits and other receivables increased from RMB68.8 million as at 31 December 2024 to RMB201.4 million as at 31 December 2025, which was mainly due to the increase in borrowings provided to associates.

Trade Payables

Trade payables primarily represent our obligations to pay for goods and services that have been acquired in our course of business from suppliers. The trade payables primarily consist of cleaning fees, material fees, maintenance fees, subcontracting fees and construction fees. Trade payables of the Group decreased from RMB55.5 million as at 31 December 2024 to RMB40.6 million as at 31 December 2025, primarily due to the Group's strengthened working capital management, accelerated settlement of amounts due to suppliers and performance of payment obligations in accordance with contracts, which resulted in the decrease in the year-end balance of trade payables.

Other Payables and Accruals

The other payables and accruals of our Group primarily consist of payables for payroll, utilities and other taxes, receipt of advances on behalf of residents, consideration payables as well as deposits received. The other payables and accruals decreased from RMB185.3 million as at 31 December 2024 to RMB158.7 million as at 31 December 2025, which was mainly due to the reduction in transactions with related parties.

Contract Liabilities

The contract liabilities of our Group primarily arise from the advance payments received from customers of our Group's property management services. The contract liabilities of our Group increased from RMB55.8 million as at 31 December 2024 to RMB77.5 million as at 31 December 2025, which was mainly due to the expansion of the Group's overall business scale.

Tax Payables

Tax payables of our Group primarily consist of PRC corporate income tax payable and value-added tax payable. Our tax payables increased from RMB6.4 million as at 31 December 2024 to RMB9.8 million as at 31 December 2025, primarily due to the expansion of the overall business scale.

MANAGEMENT DISCUSSION AND ANALYSIS

Lease Liabilities

The current lease liabilities amounted to RMB17.5 million for the year ended 31 December 2025 (as at 31 December 2024: RMB15.1 million), which was mainly due to the increase in lease liabilities corresponding to new operating lease assets. The non-current lease liabilities of the Group amounted to RMB219.9 million as at 31 December 2025 (as at 31 December 2024: RMB232.7 million), primarily due to the reclassification of non-current lease liabilities to current lease liabilities at the end of 2025 as a portion of the non-current lease liabilities at the end of 2024 will be due for payment in 2026.

Liquidity and Capital Resources

Our cash and bank balances increased by RMB9.5 million from RMB169.1 million as at 31 December 2024 to RMB178.6 million as at 31 December 2025. Our net current assets increased from RMB143.6 million as at 31 December 2024 to RMB219.5 million as at 31 December 2025. Our current ratio was approximately 1.7 times (31 December 2024: approximately 1.5 times). As at 31 December 2025, the short-term borrowings amounted to RMB53.4 million.

Pledge of Assets

As at 31 December 2025, none of the assets of the Group were pledged (31 December 2024: Nil).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 24 September 2025, Green Real Estate, an indirect wholly-owned subsidiary of the Company, made a capital increase in Chengdu Bangtai Jinchen Real Estate Co., Ltd.* (成都邦泰錦宸置業有限公司) (“**Chengdu Bangtai**” or “**Target Company**”). Upon completion of the Capital Increase, the registered capital of the Target Company was increased from RMB10 million to RMB20 million, and each of Green Real Estate and Chengdu Bangtai Yueshang Real Estate Co., Ltd.* (成都邦泰躍尚置業有限公司) (“**Bangtai Yueshang**”) will hold 50% of the equity interest in the Target Company. For details, please refer to the announcement of the Company dated 10 October 2025.

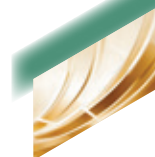
Save as disclosed in this annual report, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Significant Investment Held and Future Plans for Material Investment and Capital Assets

During the year ended 31 December 2025, our Group did not have any significant investment, and there was no plan for other material investments or additions of capital assets as at the date of this annual report.

Gearing Ratio

The gearing ratio (sum of interest-bearing bank loans divided by total equity) as at 31 December 2025 was 25.2% (as at 31 December 2024: 3.28%), which is primarily due to the increase in bank borrowings required for business development.



MANAGEMENT DISCUSSION AND ANALYSIS

Contingent Liabilities

As at 31 December 2025, our Group did not have any material contingent liabilities (31 December 2024: Nil).

Treasury Policies

We consistently comply with our treasury policy in managing the relevant departments, as well as in conducting business, accounting and filing. We are committed to safeguarding overall financial security and maintaining a strong cash position and a healthy debt profile with strong repayment ability. To maintain a strong financial position, we have established a long-term, medium-term and short-term fund management system. By adopting a full, reasonable and professional assessment mechanism, preparing annual and monthly funding plans, we have established disciplined fund management principle, which allows us to efficiently manage market risks. If new funding needs arise due to factors such as strategic expansion, external financing will be arranged in time to meet such requirements.

Foreign Exchange Risk

Other than the bank deposits, some of which are denominated in USD and HKD (as at 31 December 2025, bank and cash balances denominated in HKD and USD equal to RMB23.91 million in total), the Group's business is principally conducted in RMB and therefore did not have any material direct exposure to foreign exchange fluctuation in the year of 2025. Accordingly, the Group considers its exposure to currency risk to be insignificant. As at 31 December 2025, the Group has not entered into any hedging transaction against foreign currency risks. However, the Board will remain alert to any relevant risks and, if necessary, consider hedging any material potential foreign exchange risk.

Employees and Benefits Policies

As at 31 December 2025, our Group had 1,333 employees (31 December 2024: 1,235 employees). During the Reporting Period, the wages and salaries of employees (including directors' remuneration) amounted to RMB122.8 million as compared to RMB100.6 million for the year ended 31 December 2024. Employees' remuneration is determined based on the employees' performance, skills, knowledge, experience and market trends. Our Group regularly reviews compensation policies and programmes, and will make necessary adjustment in order to be in line with the remuneration levels in the industry. Our Group also provides various systematic and extensive training programmes to its employees. Our Group's employee training programmes primarily cover key areas in the Group's business operations, which provide continuous training to our Group's existing employees at different levels to refine and strengthen their skill sets.

On 22 December 2023, the Company also adopted the share award scheme which was amended and restated on 20 May 2024 and 14 July 2025 (the "**Share Award Scheme**"). The purposes of the Share Award Scheme are to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Major Risks and Uncertainties

The Group believes that the risk management practices are important and uses its best endeavours to effectively and efficiently mitigate risks inherent in its operations and financial position. The following are the major risks and uncertainties of our business:

- (i) if our Group is unable to perform its contracts with customers, the results of operations and financial condition may be adversely affected;
- (ii) our Group is susceptible to changes in the regulatory landscape of the PRC property management industry;
- (iii) as an increasing number of our Group's competitors listed on the Stock Exchange are looking for high-quality property management companies in the PRC as their acquisition targets, the Group faces intense competition, and there is no guarantee that our Group will be able to acquire or invest in the targets that it desires as planned; and
- (iv) any financial difficulties faced by Desun Group may have adverse impact on our Group's business, financial condition, results of operation and prospects.

In response to the aforementioned risks, the Group will implement countermeasures in the following aspects:

1. **Business Diversification and Refined Management:** the Group will optimise its business structure by consolidating its three core business segments, strengthening overall risk resilience through business diversification to mitigate dependence on any single business or related parties. Meanwhile, through digital empowerment and other means, the Group will refine cost control and cash flow management to reduce the risk of capital utilisation. This approach seeks to achieve synergistic development of both scale and quality.
2. **Resource Allocation Optimisation and Talent Assurance:** by reducing costs and increasing efficiency, along with optimising resource allocation, the Group aims to enhance overall operational efficiency and lower operational costs, thus mitigating risks stemming from regulatory changes or heightened market competition. Furthermore, with a customer value-oriented approach, the Group will enhance service quality, strengthen standard evaluation mechanisms, and improve talent development and incentive mechanisms. This will enhance the team's execution and innovation capabilities, providing a solid talent foundation to navigate a complex and ever-changing market environment.

Future Outlook

Looking ahead, building on its well-established professional asset operating capabilities, the Group will focus on developing an integrated asset management model centred on the full cycle of "fundraising, investment, management and exit". The Group will undertake a comprehensive industrial layout and strategic investments focused on urban assets, and gradually establish a complete business system underpinned by "operations as the foundation and capital as the driver".

We will continue to strengthen our front-end capabilities in fund raising and investment deployment, and systematically enhance back-end value realisation and exit mechanisms, so as to further strengthen key links in the closed-loop asset management chain. Meanwhile, the asset operation segment will continue to leverage its professional strengths to systematically enhance asset value and operating efficiency; the property services segment will further deepen customer relationships and steadily expand its management scale, jointly consolidating the foundation for the Group's development.

MANAGEMENT DISCUSSION AND ANALYSIS

Ultimately, through the synergistic framework of “targeted fundraising and investment, professional operation, quality services, efficient exit and digitalised and intelligent management”, the Group will continue to maximise asset value, develop a resilient and sustainable development model with cross-cycle capabilities, and steadily advance towards becoming an industry-leading asset management platform.

OTHER MATTERS DURING THE REPORTING PERIOD

Supplemental Agreements and Updates on the Yujing Lease Agreements

References are made to the announcements of the Company dated 4 November 2022 and 5 September 2023 and the circular of the Company dated 3 March 2023 in relation to, among other things, the lease agreements respectively entered into on 4 November 2022 (as amended and supplemented by the relevant supplemental lease agreements dated 4 January 2023) (the “**Yujing Lease Agreement I**”, the “**Yujing Lease Agreement II**” and the “**Yujing Lease Agreement III**”, collectively, the “**Yujing Lease Agreements**”) with respect to the lease of certain properties located at Building 6, No. 158, Guandong 3rd Street, Shuangliu District, Chengdu, the PRC. According to the Yujing Lease Agreements, if the tenant (namely, Desun Yuanhong, Desun Yongrun or Dehenghong, collectively, the “**Tenant(s)**”) wishes to renew the term of the lease, it shall apply to Desun Gaoxin (being the landlord under the respective Yujing Lease Agreements) six months prior to the expiration of the Yujing Lease Agreement I, the Yujing Lease Agreement II and the Yujing Lease Agreement III, respectively. Each Tenant shall pay guarantee money (approximately RMB0.5 million for Desun Yuanhong and Desun Yongrun and approximately RMB0.4 million for Dehenghong) to Desun Gaoxin, which shall be returned to the Tenants upon the lease expiration only if no outstanding payments are owed by the Tenants to Desun Gaoxin. However, if the Yujing Lease Agreement I, the Yujing Lease Agreement II and the Yujing Lease Agreement III is terminated due to the Tenant’s default, the guarantee money will be forfeited. On 30 April 2025, Desun Yuanhong, Desun Yongrun and Dehenghong entered into the respective supplemental lease agreement with Desun Gaoxin (each, the “**Supplemental Agreement I**”, the “**Supplemental Agreement II**” and the “**Supplemental Agreement III**”, together the “**Supplemental Agreements**”), pursuant to which, the renewal notification period is extended from six months to twelve months before the expiration of the Yujing Lease Agreement I, the Yujing Lease Agreement II and the Yujing Lease Agreement III, respectively. Furthermore, the Supplemental Agreements provide that, in the event of Desun Gaoxin transfers the Yujing Leased Premises to a third party during the lease term, the Tenants shall comply with the third party’s relevant management policies regarding lease renewal at that time, and the guarantee money shall be refunded to the Tenants upon the lease expiration. However, if the lease is terminated due to the Tenant’s default, the guarantee money will be forfeited and may not be applied to offset any outstanding payments contemplated under the respective Yujing Lease Agreements. Save for the aforesaid changes under the Supplemental Agreements, all other material terms set forth in the Yujing Lease Agreements shall remain unchanged and in continuous effect. Please refer to the announcement of the Company dated 30 April 2025 for details.

MANAGEMENT DISCUSSION AND ANALYSIS

On 29 September 2025, the Company was informed that Desun Gaoxin has transferred (the “**Transfer**”) the Yujing Leased Premises to Chengdu Tianfu Industrial City Investment and Operation Co., Ltd.* (成都天府產城投資運營有限公司) (“**Chengdu Tianfu**”). As a result, the landlord for the Yujing Leased Premises was changed to Chengdu Tianfu, and the rent payable by the Group under the respective Yujing Leased Agreements shall be paid directly to Chengdu Tianfu. There were no separate arrangements been made between Chengdu Tianfu and the Group. No changes were made to the terms of the Yujing Lease Agreements as a result of the Transfer, and the Yujing Lease Agreements will continue to be performed in accordance with their respective terms and conditions. Please refer to the announcement of the Company dated 29 September 2025 for details.

Amendments to Share Award Scheme

On 22 December 2023, the Company adopted the Share Award Scheme. On 20 May 2024, the Board resolved to adopt the amended and restated scheme rules (the “**Amended and Restated Scheme Rules**”) to amend the Share Award Scheme. On 14 July 2025, the Board has resolved to adopt the second amended and restated Scheme Rules (the “**Second Amended and Restated Scheme Rules**”) to further amend the Scheme. The major amendments include: under the Amended and Restated Scheme Rules, the maximum number of Shares which may be awarded to a Selected Participant under the Scheme shall not exceed one percent (1%) of the issued share capital of the Company in any 12-month period. Pursuant to the Second Amended and Restated Scheme Rules, the aforesaid individual sublimit has been removed. Consequently, no individual sublimit is set under the Second Amended and Restated Scheme Rules. For details, please refer to the announcement of the Company dated 14 July 2025.

Establishment of a Joint Venture

On 5 August 2025, Chengdu Desun Fengzhi Technology Co., Ltd.* (成都德商風知科技有限公司) (“**Desun Fengzhi**”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with Guangzhou Fanghua Real Estate Management Co., Ltd.* (廣州方華房產經營管理有限公司) (“**Guangzhou Fanghua**”), in relation to, among other things, the establishment of a joint venture (the “**Joint Venture**”). The Joint Venture will primarily engage in businesses related to the distressed assets sector. At the time of its establishment, the Joint Venture’s registered capital will be RMB1 million, which will be held as to 65% by Desun Fengzhi and 35% by Guangzhou Fanghua, respectively. Please refer to the announcement of the Company dated 5 August 2025 for details.

Payment of the Bidding Deposit

On 25 August 2025, Green Real Estate paid the Bidding Deposit of RMB43.40 million, which was the required amount for participating in the auction for the state-owned construction land-use right in Chengdu. The payment of the bidding deposit is a condition precedent to the completion of the project application. Unawarded bidder will receive the bidding deposit refund paid upon the completion by Chengdu Public Resources Trading Service Center of the bidding deposit refund verification process. Please refer to the announcement of the Company dated 25 August 2025 for details. As at the date of this annual report, Green Real Estate was unselected and has been refunded the bidding deposit paid.

MANAGEMENT DISCUSSION AND ANALYSIS

Investment in Going Securities

Desun Property Service Limited (“**Desun Property**”), a wholly-owned subsidiary of the Company, has entered into an equity transfer agreement with Going Securities Holding Limited (“**Going Securities Holding**”), pursuant to which Desun Property agreed to purchase 15% equity interest in Going Securities (HK) Limited (“**Going Securities (HK)**”) and has completed payment (the “**Acquisition**”). Going Securities (HK) holds 100% equity interest in Going Securities Limited (“**Going Securities**”). Going Securities is a licensed corporation recognised by the Securities and Futures Commission of Hong Kong, holding licenses for Type 1 (dealing in securities), Type 2 (dealings in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities. The services provided by Going Securities cover securities trading, investment consultancy and discretionary account management etc. Furthermore, in its role as the Vice President Unit of the Hong Kong Web3.0 Standardization Association (香港Web3.0標準化協會), Going Securities is actively pursuing its license upgrade plan, aiming to expand into regulated virtual asset business. Positioned as a long-established “urban asset service provider”, the Group specializes in property services, office leasing, commercial asset management and industrial park operations. Over years of development, the Group has accumulated extensive project resources across properties, commercial assets and industrial parks, building robust asset operation expertise and deep reserve of industry assets. Leveraging its capabilities in resource identification and operational integration, the Group excels at discovering and revitalizing undervalued or illiquid assets, which provides a strategic entry point for its exploration into the digital finance field. This strategic equity investment in Going Securities is aimed at facilitating the upgrade of its regulated licenses upon the completion of the Acquisition. Based on this, the Group will systematically explore cutting-edge opportunities within the digital finance field, including real world asset tokenization, virtual asset services and decentralized digital finance, within a compliant framework. As the relevant business plans are still in the preliminary planning stage and are contingent upon the approval of Going Securities’ license upgrade application, the Acquisition constitutes a strategic move and initial attempt for the Group to tap into the digital finance field. Pursuant to the equity transfer agreement, if Going Securities fails to extend its existing Type 1 (dealing in securities) regulated activities license to cover regulated activities relating to virtual asset services within the agreed timeframe, Going Securities Holding agrees to repurchase the shares in Going Securities (HK) held by Desun Property at the original consideration stipulated in the equity transfer agreement. Please refer to the announcements dated 3 October 2025 and 31 October 2025 for details.

Termination Agreement in Relation to the Yulai Debt Assignment Agreements

On 18 November 2024, Chengdu Yulai Trading Co., Ltd.* (成都語萊貿易有限責任公司) (“**Chengdu Yulai**”), the Original Debtors, Chengdu Desun (a wholly owned subsidiary of the Company) and the Original Creditors entered into the Debt Assignment Agreements, pursuant to which the Original Debtors agreed to assign and Chengdu Yulai agreed to assume Receivables due from the Original Debtors to Chengdu Desun and/or the Original Creditors in an aggregate amount of RMB23,224,987.20. On the same day, Chengdu Desun entered into the Debt Settlement Agreement with Chengdu Yulai (the “**Yulai Debt Settlement Agreement**”), pursuant to which Chengdu Desun agreed to acquire and Chengdu Yulai agreed to sell the Settlement Properties at an aggregate consideration of RMB23,225,000.00 which shall be offset against the Receivables on a dollar-for-dollar basis. Chengdu Yulai agreed to waive the remaining amount of the consideration, i.e. RMB12.8, and Chengdu Desun is not obliged to make any payment for such remaining amount of the consideration. Pursuant to the Yulai Debt Settlement Agreement, if Chengdu Desun chooses to terminate the Yulai Debt Settlement Agreement, Chengdu Yulai shall repay the Receivables in full to Chengdu Desun.

MANAGEMENT DISCUSSION AND ANALYSIS

On 24 December 2025, Chengdu Desun and Chengdu Yulai entered into a termination agreement, pursuant to which, the Yulai Debt Settlement Agreement shall be terminated, and Chengdu Desun will no longer proceed with the acquisition of the Settlement Properties from Chengdu Yulai as contemplated under the Yulai Debt Settlement Agreement. In lieu of the Settlement Properties transfer, Chengdu Yulai agreed to settle, in cash, the total assigned Receivables of RMB23,224,987.20 stipulated under the Yulai Debt Assignment Agreements. Pursuant to the Termination Agreement, Chengdu Yulai shall remit the full amount of RMB23,224,987.20 to Chengdu Desun via bank transfer on or before 31 December 2025. As at the date of this annual report, the aforementioned amount has been paid in full to Chengdu Desun. Please refer to the announcement of the Company dated 24 December 2025 for details.

“Original Debtor(s)” refers to Chengdu De Qian Real Estate Co., Ltd.* (成都德乾置業有限公司), Chengdu Desun Yong Hong Real Estate Co. Ltd.* (成都德商永鴻置業有限公司), Chengdu Desun Tai Real Estate Co., Ltd.* (成都德商泰置業有限公司), Chengdu Desun Rong He Real Estate Co. Ltd.* (成都德商榮和置業有限公司), Chengdu Desun Gao Xin Real Estate Co., Ltd.* (成都德商高欣置業有限公司), Chengdu Desun Ding Chuang Real Estate Co., Ltd.* (成都德商鼎創置業有限公司) and/or Chengdu Dekunda Real Estate Co., Ltd.* (成都德坤達置業有限公司).

“Original Creditor(s)” refers to Chengdu Dezheng Property Services Co., Ltd.* (成都德正物業服務有限公司), Chengdu Jinjie Asset Management Co., Ltd.* (成都金捷資產管理有限公司), Chengdu Youbei Space Chuangfu Technology Service Co., Ltd.* (成都優貝空間創孵科技服務有限公司), Sichuan Desun Xiyueju Construction Engineering Co., Ltd.* (四川德商璽悅居建設工程有限公司), Chengdu Desun Shuangliu Branch, Chengdu Desun Jinjiang Branch, Chengdu Desheng Zhicheng Real Estate Brokerage Co., Ltd.* (成都德勝至誠房地產經紀有限公司), Chengdu Xiyueju Interior Design Co., Ltd.* (成都璽悅居室內設計有限公司), Chengdu Desun Chenghua Branch, Chengdu Desun Heruncheng Commercial Management Co., Ltd.* (成都德商合潤誠商業管理有限公司), Chengdu Yujingge Hotel Management Co., Ltd.* (成都御璟閣酒店管理有限公司) and/or Chengdu Xiaobin Qimei Construction Engineering Co., Ltd.* (成都曉賓琦美建築工程有限公司).

Provision of Financial Assistance

On 24 September 2025, Green Real Estate, an indirect wholly-owned subsidiary of the Company, carried out a capital increase in Chengdu Bangtai Jinchen Real Estate Co., Ltd.* (成都邦泰錦宸置業有限公司) (“**Chengdu Bangtai**” or the “**Target Company**”). Upon completion of the capital increase, the registered capital of the Target Company will be increased from RMB10 million to RMB20 million, and each of Green Real Estate and Chengdu Bangtai Yueshang Real Estate Co., Ltd.* (成都邦泰躍尚置業有限公司) (“**Bangtai Yueshang**”) will hold 50% of the equity interests in the Target Company.

MANAGEMENT DISCUSSION AND ANALYSIS

On 10 October 2025, Green Real Estate, Bangtai Yueshang and Chengdu Bangtai entered into the Loan Agreement. Pursuant to the Loan Agreement, among other things, Green Real Estate provided a Shareholder's Loan with a maximum principal amount not exceeding RMB160 million to Chengdu Bangtai. The aforementioned principal amounts of the Shareholder's Loan to be provided by Green Real Estate was determined pro rata to their respective shareholding in the Target Company. The amount of the Shareholder's Loan is determined based on the estimated costs for the funding of the acquisition through bidding of the Subject Land Parcel and the preliminary development of the Subject Land Parcel and the relevant taxes. The term of the Shareholder's Loan is one year, commencing on 11 October 2025 and ending on 10 October 2026. Notwithstanding that the Shareholder's Loan may be drawn down in multiple installments, the maturity date for each such drawdown shall be 10 October 2026. The Shareholder's Loan bears interest at a rate of 3.5% per annum, which shall be calculated on a daily basis based on the principal amount drawn down by the Target Company and settled quarterly. The Target Company shall pay the accrued interest to Green Real Estate and Bangtai Yueshang on the designated interest settlement date. Unless with Green Real Estate and Bangtai Yueshang's prior written consent, the Shareholder's Loan shall be used by the Target Company solely for the purpose of paying the land transfer price of the Subject Land Parcel and covering the related development and operational expenses for the development of the Subject Land Parcel. The Target Company shall repay the outstanding principal amount of the Shareholder's Loan and all accrued interest by the maturity date of the term of the Shareholder's Loan.

On 19 December 2025, Green Real Estate entered into the Guarantee Agreement and the Pledge Agreement with Bank of China. Pursuant to the Guarantee Agreement and the Pledge Agreement, Green Real Estate agreed to (i) provide the joint liability guarantee; and (ii) pledge its 50% equity interest in Chengdu Bangtai to Bank of China, for the Repayment Obligations.

Under the Guarantee Agreement, Green Real Estate agreed to provide joint liability guarantee for the Repayment Obligations with a maximum principal debt amount of RMB150 million and the interest accrued on the aforementioned principal debt amount (including interest, compound interest and penalty interest), liquidated damages, compensations for damages, expenses incurred in enforcing the creditor's rights (including but not limited to litigation costs, legal fees, notary fees, execution fees, etc.), losses caused to the creditor due to the debtor's default and all other payable expenses. Under the Guarantee Agreement, the guaranteed debts shall be calculated separately on a per-debt basis, with the term of guarantee for each debt being three years from the date of expiration of the performance period of the respective debt. The term of the guarantee is determined according to industry practice and the prevailing operational standards of banking institutions. The abovementioned performance period refers to the period agreed upon between Chengdu Bangtai (as the debtor) and Bank of China (as the creditor) under the relevant fixed asset loan agreement and other documents within which Chengdu Bangtai shall fulfill the relevant Repayment Obligations. According to the Guarantee Agreement, during the term of the guarantee, the creditor shall have the right to demand that the guarantor fulfill its guarantee liability for any or all of the outstanding debts within the scope of guarantee that may arise from the multiple drawdowns under the facility (i.e. the maximum principal amount of RMB150 million) when such debts are defaulted.

MANAGEMENT DISCUSSION AND ANALYSIS

Under the Pledge Agreement, the Pledged Asset is the 50% equity interest in Chengdu Bangtai held by Green Real Estate. The Pledged Asset shall be pledged as guarantee for the Repayment Obligations with a maximum principal debt amount of RMB150 million and interest accrued on the aforementioned principal debt amount (including interest, compound interest and penalty interest), liquidated damages, compensations for damages, costs of safekeeping collateral and enforcing claims (including but not limited to litigation costs, legal fees, notary fees, execution fees, etc.), losses caused to the pledgee due to the debtor's default and all other payable expenses.

The Group's advances to an entity and the financial assistance given to affiliated companies (as defined under Rule 13.11(2) of the Listing Rules) of the Group in aggregate have exceeded 8% of the assets ratio under Rule 14.07(1) of the Listing Rules. Details of such financial assistance as required to be disclosed under Rules 13.13 and 13.16 of the Listing Rules as at the date of this annual report are as follows:

Name of the affiliated company	The Group's attributable interest in affiliated company	Loans to affiliated companies	Committed capital injection	Guarantees for facilities granted to affiliated companies
Chengdu Bangtai	50%	RMB 160,000,000 (Note 1)	RMB 10,000,000 (Note 2)	RMB 150,000,000
Sichuan Huishang Taifu Commercial Management Co., Ltd.* (四川匯商泰富商業管理有限公司)	50%	RMB1,750,000 (Note 3)	—	—
Sichuan Ruihong Shiji Commercial Management Co., Ltd.* (四川瑞泓世紀商業管理有限公司)	50%	RMB1,250,000 (Note 4)	—	—
Chengdu Lixiang Shiteng Commercial Management Co., Ltd.* (成都理想世騰商業管理有限公司)	43%	RMB718,100 (Note 5)	—	—
Chengdu Meinuosi Chuangxiang Commercial Management Co., Ltd.* (成都美諾思創想商業管理有限公司)	43%	RMB430,000 (Note 6)	—	—
Chengdu Lixiang Kainuo Commercial Management Co., Ltd.* (成都理想凱諾商業管理有限公司)	43%	RMB322,414 (Note 7)	—	—

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

1. This amount represents the Shareholder's Loan to be provided by Green Real Estate to the Target Company under the Loan Agreement. As at the date of this annual report, the principal amount available under the Shareholder's Loan to be provided by Green Real Estate to the Target Company under the Loan Agreement was RMB44,226,513.
2. On 24 September 2025, Green Real Estate entered into the Capital Increase Agreement with Bangtai Yueshang, pursuant to which, Green Real Estate agreed to subscribe for RMB10,000,000 of the new registered capital of the Target Company in cash at a subscription price of RMB10,000,000. The aforementioned committed capital injection will be provided by internal resources of the Group.
3. This amount includes a loan of RMB1,750,000 with an annual interest rate of 12%, which is unsecured and shall be repaid in January 2028.
4. This amount includes a loan of RMB1,250,000 with an annual interest rate of 12%, which is unsecured and shall be repaid in January 2028.
5. This amount includes a loan of RMB718,100 with an annual interest rate of 10%, which is unsecured and shall be repaid in March 2027.
6. This amount includes a loan of RMB430,000 with an annual interest rate of 10%, which is unsecured and shall be repaid in March 2027.
7. This amount includes a loan of RMB322,414 with an annual interest rate of 10%, which is unsecured and shall be repaid in March 2027.
8. Except as disclosed above, there are no other obligations arising under Rule 13.16 of the Listing Rules.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of the affiliated companies with financial assistance from the Group and the Group's attributable interests in those affiliated companies as at 31 December 2025 are presented as follows:

Chengdu Bangtai

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	25	12
Current assets	250,263	125,132
Current liabilities	(237,464)	(118,732)
Total assets less current liabilities	12,824	6,412
Non-current liabilities	—	—
Net liabilities	12,824	6,412

MANAGEMENT DISCUSSION AND ANALYSIS

Sichuan Huishang Taifu Commercial Management Co., Ltd. (四川匯商泰富商業管理有限公司)*

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	7,000	3,500
Current assets	2,078	1,039
Current liabilities	(9,762)	(4,881)
Total assets less current liabilities	(685)	(342)
Non-current liabilities	—	—
Net liabilities	(685)	—

Note: The Group's attributable interests in affiliated companies are accounted for based on the investment cost plus the Group's subsequent share of net profit or loss. Accordingly, the Group's attributable interests in net liabilities of Sichuan Huishang Taifu Commercial Management Co., Ltd.* (四川匯商泰富商業管理有限公司) is presented as “—”.

Sichuan Ruihong Shiji Commercial Management Co., Ltd. (四川瑞泓世紀商業管理有限公司)*

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	4,429	2,215
Current assets	1,869	935
Current liabilities	(6,100)	(3,050)
Total assets less current liabilities	199	99
Non-current liabilities	—	—
Net liabilities	199	99

Chengdu Lixiang Shiteng Commercial Management Co., Ltd. (成都理想世騰商業管理有限公司)*

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	2,631	1,131
Current assets	1,538	661
Current liabilities	(2,889)	(1,242)
Total assets less current liabilities	1,280	550
Non-current liabilities	—	—
Net liabilities	1,280	550

MANAGEMENT DISCUSSION AND ANALYSIS

Chengdu Meinuosi Chuangxiang Commercial Management Co., Ltd. (成都美諾思創想商業管理有限公司)*

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	2,882	1,239
Current assets	1,882	809
Current liabilities	(2,670)	(1,148)
Total assets less current liabilities	2,094	900
Non-current liabilities	—	—
Net liabilities	2,094	900

Chengdu Lixiang Kainuo Commercial Management Co., Ltd. (成都理想凱諾商業管理有限公司)*

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	2,691	1,157
Current assets	1,493	642
Current liabilities	(2,472)	(1,063)
Total assets less current liabilities	1,712	736
Non-current liabilities	—	—
Net liabilities	1,712	736

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classifications in the statement of financial position, as at 31 December 2025.

Events after the Reporting Period

On 25 March 2026, Chengdu Desun, successfully won the bid for the Jiaozi Park Financial and Business District Cultural and Financial Industry Supporting Infrastructure Construction Project (成都市交子公園金融商務區文創金融產業配套基礎設施建設項目) (the “**Project**”), a landmark media complex located in Chengdu, the PRC, with a net land area of approximately 35.5642 mu, which is set to become a hub for “digital media + fashion and arts”. The Project is expected to have a term of 10 years, including the preparation period and the cooperation period, and involves three cooperative projects: the office property entrusted operation, commercial leasing and comprehensive property services. As part of the scope of the Project, Chengdu Desun will enter into the Lease Agreement for the commercial property and, subject to the compliance with the designated use, obtain authorization to carry out specific operational activities. Chengdu East Coast Smart Media Cultural Industry Development Co., Ltd.* (成都東岸智媒文化產業發展有限公司) (“**Dongan Smart Media**”) (as the lessor) will enter into the lease agreement with Chengdu Desun (as the Lessee) in respect of the leased premises after receiving the full performance bond paid by Chengdu Desun or the submitted independent bank guarantee letter. Dongan Smart Media is expected to deliver the leased premises on 30 June 2027, and the lease term shall commence on 1 July 2027 and end on 30 June 2036, with an expected duration of nine years. For details, please refer to the announcement of the Company dated 25 March 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

On 31 March 2026, Chengdu Desun entered into the offset agreement with Wuhan Desun Rong He Real Estate Co. Ltd.* (武漢德商榮和置業有限公司) (“**Rong He Real Estate**”), pursuant to which Chengdu Desun agreed to acquire and Rong He Real Estate agreed to sell the commercial residential properties (No. 301 and No. 302) of Building No. 11 of the Desun Zhangtai Feili Tianxi Project (德商彰泰翡麗天璽項目), located in the East Lake High-tech Development Zone, Wuhan City, the PRC at the consideration of RMB3,691,863.00, which shall be offset against the receivables owed by Rong He Real Estate to Chengdu Desun in the amount of RMB3,336,711.60 on a dollar-for-dollar basis. Following the aforesaid set-off, a balance of RMB355,151.40 of the property consideration remained payable by Chengdu Desun to Rong He Real Estate. Chengdu Desun and Rong He Real Estate further agreed that such balance shall continue to be offset by Chengdu Desun against any receivables due from Rong He Real Estate to Chengdu Desun arising pursuant to the relevant property management service contract entered into between Rong He Real Estate and Chengdu Desun and such offset shall be completed within three months from the date of the offset agreement. For details, please refer to the announcement of the Company dated 31 March 2026.

Save as disclosed in this annual report, the Group had no significant events affecting the Company and any of its subsidiaries after the Reporting Period.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTOR

Mr. Zou Kang (鄒康), aged 56, is one of the founders of the Group, a non-executive Director and one of the Controlling Shareholders. He was appointed as the non-executive Director on 18 March 2021. Mr. Zou Kang is responsible for providing guidance and advice on corporate strategy to our Group.

Mr. Zou Kang has more than 13 years of experience in real estate development and real estate management. Mr. Zou Kang is one of the founders of Chengdu Desun and was appointed as its supervisor at the time of its incorporation. He was subsequently appointed as the executive director and chairman of the board of Chengdu Desun in February 2016. Mr. Zou Kang temporarily retired from his directorship in Chengdu Desun when his term as executive director and chairman of the board therein expired in February 2019, and rejoined the Group in November 2020 as the non-executive Director.

From August 1998 to December 2015, he served as an executive director of Chengdu Huacheng Information Industry Co., Ltd. (成都華誠信息產業有限公司). Mr. Zou Kang also has a range of other investments in the PRC, including Desun Property Group which engages in property development and property construction business in the PRC.

Mr. Zou Kang obtained his postgraduate degree of corporate management from Sichuan University in the PRC in August 1999. Mr. Zou Kang completed the Tsinghua PBC Financial CEO Training Programme from Tsinghua PBC School of Finance on 10 November 2019.

EXECUTIVE DIRECTORS

Mr. Zhang Zhicheng (張志成), aged 55, is the chairman of the Board, the Chief Executive Officer and an executive Director. He was appointed as a Director on 10 December 2020 and was re-designated as an executive Director on 18 March 2021. He was also appointed as the chairman of the Board on the same day. Mr. Zhang Zhicheng was appointed as the Chief Executive Officer on 2 March 2022. Mr. Zhang Zhicheng is responsible for providing strategic and directional guidance and advising on corporate governance to the Group and the Board.

Mr. Zhang Zhicheng joined the Group in September 2020 as a director and chairman of the board of Chengdu Desun.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang Zhicheng has more than 23 years of experience in real estate and real estate operation and management industry. Prior to joining the Group, Mr. Zhang Zhicheng worked at the Housing Management Bureau of Qingbaijiang District from July 1999 to July 2002. From July 2002 to August 2010, Mr. Zhang Zhicheng served as a department head, vice president, president and chairman of the board of directors of Chengdu Jiabao Management Consulting Co., Ltd* (成都市嘉寶管理顧問有限公司), a company engaged in real estate management and consultancy business, where he was responsible for managing the operation of the company. From August 2010 to June 2014, Mr. Zhang Zhicheng served as a vice chairman of the board and president of Sichuan Languang Industrial Group Co., Ltd* (四川藍光實業集團有限公司) (subsequently known as Languang Investment Holdings Group Co., Ltd (藍光投資控股集團有限公司)), a company engaged in corporate investment services, where he was responsible for managing the operation of the company. From June 2014 to April 2015, Mr. Zhang Zhicheng served as a vice chairman of the board and president of Sichuan Languang Hejun Industrial Co., Ltd* (四川藍光和駿實業股份有限公司), a company engaged in real estate investment, where he was responsible for managing the operation of the company. From April 2015 to May 2017, Mr. Zhang Zhicheng served as a vice chairman and president of Sichuan Languang Development Co., Ltd. (四川藍光發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600466.SH) and engaged in real estate development business, where he was mainly responsible for managing the business operation of the company. From August 2017 to October 2019, Mr. Zhang Zhicheng served as the president of Chengdu Chengming Construction Project Management Co., Ltd (成都城銘建設項目管理有限公司), a company engaged in construction consultation, but Mr. Zhang Zhicheng was not involved in its daily operation. From November 2019 to September 2020, Mr. Zhang Zhicheng served as the president of Tongxin Real Estate Group Co., Ltd., a company whose scope of business include real estate development and operation, where he was responsible for formulating and implementing business development strategies of the company.

Mr. Zhang Zhicheng obtained his bachelor's degree in economics management from Southwest Minzu University (西南民族大學) in the PRC in July 2004. He subsequently obtained a master's degree in business administration from Peking University in January 2018.

Ms. Wan Hong (萬虹), aged 39, is an executive Director and one of the joint company secretaries of the Company. She was appointed as an executive Director and one of the joint company secretaries on 18 March 2021. Ms. Wan Hong is responsible for overseeing the overall administrative affairs of the Group, operation management of the Group and supervising the Group's investor relations, financing and securities affairs, and listing compliance management.

Ms. Wan Hong has over 14 years of experience in human resources and administrative management. Prior to joining the Group in March 2012, Ms. Wan Hong was the human resources supervisor of Chengdu Chuanghe Property Services Co., Ltd. (成都市創和物業服務有限公司) between February 2009 and March 2012, a company whose scope of business includes property management, where she was responsible for staff recruitment, training and welfare. Ms. Wan Hong then joined the Group and served as the human resources supervisor of Chengdu Desun between March 2012 and May 2013, and then served Chengdu Deshangtai Property Co., Ltd. (成都德商泰置業有限公司), a company under the Desun Property Group, as the human resources supervisor until January 2016. Afterwards, she was appointed as the secretary to the board and executive director of Chengdu Desun in February 2016 and February 2019 respectively.

Ms. Wan Hong obtained her bachelor's degree in human resources management from Sichuan University (四川大學) in the PRC in June 2012.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu Jun (柳軍), aged 45, joined the Group in August 2020 upon the completion of acquisition of Zhongneng by the Group, in which Mr. Liu Jun held the position as the executive director and legal representative. He was appointed as a vice president of Chengdu Desun in August 2020. Mr. Liu Jun is currently the executive director, general manager and/or legal representative of Chengdu Jinjie Asset Management Co., Ltd. (成都金捷資產管理有限公司) (“**Chengdu Jinjie**”) and Chengdu Baiyuejiacheng Business Management Co., Ltd. (成都栢悅嘉誠商業管理有限公司) (“**Chengdu Baiyuejiacheng**”). Mr. Liu Jun is responsible for managing various affairs of the investment and development center and promoting the business expansion and the brand planning and building of the Company.

Mr. Liu Jun has more than 23 years of experience in real estate and property management industry. Prior to joining the Group, Mr. Liu Jun worked at Chengdu Wucheng Santai Property Management Co., Ltd.* (成都武城三泰物業管理有限公司) from March 2000 to December 2004. From December 2004 to February 2013, Mr. Liu served as a general manager of Sichuan Languang Justbon Services Group Co., Ltd. (四川藍光嘉寶服務集團股份有限公司), a company engaged in property management, where he was responsible for operational management and formulating internal management policies of the company. Since February 2013, Mr. Liu Jun has been serving as the legal representative and executive director of Zhongneng and was mainly responsible for Zhongneng’s strategic planning and execution, and its overall management.

Mr. Liu obtained his master’s degree in business administration from Southwest Jiaotong University (西南交通大學) in the PRC in November 2014.

Mr. Shao Jiazhen (邵家楨), aged 47, joined the Group in August 2020 upon the completion of acquisition of Zhongneng, in which Mr. Shao Jiazhen held the position as the director and general manager. He was appointed as a vice president of Chengdu Desun in August 2020. Mr. Shao Jiazhen is currently a supervisor of Chengdu Jinjie and a manager of Chengdu Baiyuejiacheng. Mr. Shao Jiazhen is responsible for promoting and implementing the business development strategies and taking charge of various management affairs of the business division of the Company.

Mr. Shao Jiazhen has more than 18 years of experience in property management industry. Prior to joining the Group, Mr. Shao worked at Chengdu Jiabao Commercial and Property Operation and Management Company* (成都嘉寶商業物業經營管理公司) as the general manager and assistant to the president, a company engaged in commercial property management, where he was responsible for managing the operation of commercial projects. From February 2014 to January 2015, he was the executive deputy general manager of the business division of Sichuan Languang Hejun Industrial Co., Ltd.* (四川藍光和駿實業股份有限公司), a company engaged in real estate investment, where he was responsible for managing the overall commercial operation of the company. From January 2015 to August 2021, he was a director and general manager of Zhongneng and a manager of Chengdu Jinjie where he was responsible for the commercial property planning and managing the operation of residential and non-residential projects.

Mr. Shao Jiazhen graduated from Sichuan Normal University (四川師範大學) in July 1998.

Ms. Zhu Na (祝娜), aged 45, is an executive Director. She was appointed as an executive Director on 25 November 2024.

Ms. Zhu Na possesses extensive management experience in real estate project development and operation and corporate internal management, especially profound understanding and practice in market analysis, brand building and other aspects. Prior to joining the Company, Ms. Zhu successively held various positions at Chengdu Desun Real Estate Co., Ltd.* (成都德商置業有限公司) and its associated companies from November 2003 to July 2023, including the positions of assistant to the vice president, the general manager of the marketing management centre and the vice president. She joined Green Real Estate, a subsidiary of the Company, in August 2023 as the general manager and is responsible for core business operations, including strategic planning, business development and operation management.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhu Na graduated from Sichuan University of Science and Technology (四川工業大學) in 2003 with a bachelor's degree in business administration.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fang Liqiang (方利強), aged 58, is an independent non-executive Director. He was appointed as an independent non-executive Director on 22 November 2021. Mr. Fang Liqiang is responsible for providing independent advice and judgement to the Board.

Mr. Fang Liqiang has more than 22 years of experience in corporate and business management. From April 1996 to September 2012, Mr. Fang Liqiang served as the chairman and general manager of Zhejiang Orient Municipal Landscape Engineering Co. Ltd. (浙江東方市政園林工程有限公司), currently known as Chengbang Ecological Environment Co., Ltd (誠邦生態環境股份有限公司), a company whose scope of business includes landscape engineering construction, where he was responsible for the daily operations of the company. From September 2012 to February 2019, Mr. Fang Liqiang served as the chairman and general manager of Chengbang Ecological Environment Co., Ltd (誠邦生態環境股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603316.SH). Since February 2019, Mr. Fang Liqiang has been serving as the chairman of the board of Chengbang Ecological Environment Co., Ltd (誠邦生態環境股份有限公司) (stock code: 603316.SH).

Mr. Fang Liqiang obtained a diploma from Zhejiang School of Finance and Economics (浙江財經學院) (currently known as Zhejiang University of Finance and Economics (浙江財經大學)) in the PRC majoring in accounting in July 1990. He subsequently obtained a master's degree in business administration from Peking University in the PRC in July 2016. Mr. Fang Liqiang was accredited by Zhejiang Province Personnel Department (浙江省人事廳) (currently known as Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳)) as (i) a senior economist in December 2007, and (ii) a senior engineer in the field of landscape engineering in December 2008.

Mr. Chen Di (陳滌), aged 49, is an independent non-executive Director. He was appointed as an independent non-executive Director on 22 November 2021. Mr. Chen Di is responsible for providing independent advice and judgement to the Board.

Mr. Chen Di has over 23 years of extensive experience in the finance industry, of which 18 years were spent in senior management teams. Since May 2020, Mr. Chen Di has been serving as a non-executive director of Shandong Hi-Speed Holdings Group Limited (stock code: 00412.HK), a company listed on the Stock Exchange. Since July 2025, he has been serving as a non-executive director and chairman of the board of 5100 Xizang Glacier Company Limited (stock code: 1115.HK), a company listed on the Stock Exchange.

Mr. Chen Di joined Harvest in May 2005, where he was responsible for establishing the Guangzhou branch and served as its general manager. He served as the South China regional general manager and director of wealth management department from September 2008 to December 2010; as director of channel development department and director of wealth management department from January 2011 to May 2014; and as chief marketing officer of Harvest Global Capital Investments Limited (嘉實國際投資有限公司) from May 2014 to January 2016. Since February 2016, Mr. Chen Di has served as chief executive officer and managing director of Harvest Global Capital Investments Limited.

Mr. Chen Di received his bachelor's degree in finance from Jinan University (暨南大學) in the PRC in June 1998 and subsequently obtained an executive master of business administration (EMBA) degree from PBCSF Tsinghua University (清華五道口金融學院) in the PRC in July 2019.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Yan Hong (嚴洪), aged 52, is an independent non-executive Director. He was appointed as an independent non-executive Director on 22 November 2021. Mr. Yan Hong is responsible for providing independent advice and judgement to the Board.

Mr. Yan Hong has extensive finance and accounting experience. For instance, from August 2001 to September 2010, Mr. Yan Hong had successively served various positions in Huaxia Bank (Chengdu Branch) (華夏銀行成都分行), including the head of finance division of the finance office of Chengdu Branch, the vice president of Chengdu Jinniu Sub-branch (成都金牛支行), the deputy general manager and subsequently the general manager of the finance department, member of the Party committee and vice president of Chengdu Branch, and member of Party committee and vice president of Nanning Branch. From June 2014 to April 2020, he served as the Sichuan regional senior managing director of Ping An Trust Co., Ltd. (平安信託有限責任公司).

Mr. Yan Hong had also served as an independent non-executive director in a number of listed companies in the PRC in the past. From May 2016 to June 2019, he served as an independent non-executive director of Chengdu Hongqi Chain Co., Ltd. (成都紅旗連鎖股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002697.SZ). From July 2016 to June 2019, he served as an independent non-executive director of D&O Home Collection Co., Ltd. (帝歐家居股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002798.SZ).

In addition, Mr. Yan Hong is currently an independent non-executive director in a listed company in the PRC. Since March 2021, Mr. Yan Hong has been serving as an independent non-executive director of Tibet Mineral Development Co. Ltd (西藏礦業發展股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000762.SZ).

Mr. Yan Hong received his bachelor's degree in economics and his master's degree in applied economics from the School of Accounting of Southwestern University of Finance and Economics in the PRC in June 1997 and December 2002 respectively, and subsequently obtained his doctorate degree in financial management from the School of Accounting of Southwestern University of Finance and Economics in the PRC in June 2011.

SENIOR MANAGEMENT

Ms. Zhang Jie (張潔), aged 43, has been the chief financial officer since November 2024. Ms. Zhang Jie joined Green Real Estate, a subsidiary of the Company, in May 2024 as the general manager of the financial management centre and is responsible for the overall financial matters including capital, financing and accounting.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhang has extensive experience in financial management and capital investment and financing. Prior to joining the Company, Ms. Zhang served as the deputy general manager of the financial management centre of Sichuan Desun Smart Green Operation Enterprise Management Co., Ltd.* (四川德商智慧綠色運營企業管理有限公司) from August 2022 to April 2024. From May 2017 to July 2022, Ms. Zhang served as the deputy general manager at the capital department of Sichuan Languang Development Co., Ltd.* (四川藍光發展股份有限公司), a company primarily engaged in real estate development, where she was mainly responsible for the domestic and international capital market financing and credit rating work. From June 2012 to December 2016, Ms. Zhang successively worked in the investment banking department of Chengdu Rural Commercial Bank and the investment banking department of Bank of Tianjin, where she was responsible for the various investment and financing activities across different markets. From August 2006 to August 2009, Ms. Zhang worked at Deloitte & Touche LLP with her last position as assistant manager. Ms. Zhang holds a bachelor's degree and a master's degree in economic law with a minor in financial management from Southwestern University of Finance and Economics. Ms. Zhang is a Certified Public Accountant (CPA) and a Certified Tax Agent (CTA), and has passed the National Judicial Examination (國家司法考試).

JOINT COMPANY SECRETARIES

Ms. Wan Hong (萬虹) is one of the joint company secretaries. For biographical details of Ms. Wan Hong, please refer to the paragraph headed "Executive Directors" above.

Ms. Ng Ka Man (吳嘉雯) is a senior manager of TMF Hong Kong Limited, a global corporate services provider. She has over 16 years of working experience in the corporate secretarial field. Ms. Ng obtained a master's degree in corporate governance from The Open University of Hong Kong in 2011, and was qualified as an associate member of the Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom in 2012.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles as set out in the CG Code.

The Company has adopted the principles and code provisions as set out in Part 2 of Appendix C1 to the Listing Rules and complied with the applicable code provisions contained in Part 2 of Appendix C1 to the Listing Rules throughout the Reporting Period except for code provision C.2.1.

Currently, Mr. Zhang Zhicheng serves as both the chairman of the Board and the CEO, and such practice deviates from the code provision C.2.1 of the CG Code which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Nevertheless, the Board believes that the extensive experience and knowledge in the real estate and real estate management industry of Mr. Zhang, who has guided the Group to complete the initial public offering in December 2021, together with the support of the management, will provide solid and consistent leadership for the Group. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its codes of conduct regarding securities transactions by its Directors and employees (the "**Securities Dealing Code**").

The Company has made specific enquiry of all Directors as to whether they have complied with the required standard as set out in the Model Code for the Reporting Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Reporting Period.

Corporate Culture

Flowing is a state of positive psychology that represents the collection of all positive and happiness experiences of modern humans. In Desun, flowing encompasses customer flow, employee flow, work flow, living flow and society flow. With the corporate mission of "creating value for customers, seeking happiness for strivers, and taking responsibility for the advancement of the industry", the Company upholds the state of unity of knowledge and practice, professionalism and dedication, and continues to endeavour to grow together both internally and externally, and to create and share a better flow of happiness for our customers, employees, and the society. Externally, the Company places great emphasis on user experience and firmly adheres to the customer philosophy of "User-centric, Value-driven and Delivering tangible benefits". We respect our partners, advocating a cooperation philosophy of "mutual benefit, shared growth, mutual respect, trust and attentiveness to the concerns of our partners". Internally, we value our employees, upholding the belief that "employees are the valuable assets of Desun Real Estate Investment, and Desun Real Estate Investment is a stage for all employees to showcase their talents and a platform to achieve mutual growth and success".

CORPORATE GOVERNANCE REPORT

At the same time, we require management cadres at all levels to continuously improve their business management capabilities, guided by the standards of “be competent in running affairs, proficient in business management, customer-oriented, caring for the team, good at communication and abiding by the bottom line”. Every member of Desun puts into practice the principle of “innovation as the driving force, change as the attitude, movement as the action, professionalism as the foundation, era as the backdrop, and responsibility as the guarantee”, and creates real results with their own practical actions. At the same time, the Company has also taken the initiative to assume social responsibility, repaying the society with gratitude and actively participating in public welfare undertakings. Going forward, the Group will take asset operation and management as core business, continue to integrate resources, strengthen the collaborative capabilities across the entire “fundraising, investment, management, and exit” chain, build a high-quality, cross-cycle sustainable development model, with the aim of becoming a leading asset management platform in the industry.

BOARD OF DIRECTORS

The Directors are accountable to all Shareholders for their leadership and supervision over the Group’s operation and are committed to achieving the goal of increasing Shareholders’ value.

As at 31 December 2025, the Board comprised nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors. During the Reporting Period and up to the date of this annual report, the Board comprised the following Directors:

Non-executive Director

Mr. Zou Kang

Executive Directors

Mr. Zhang Zhicheng (*Chairman and Chief Executive Officer*)

Ms. Wan Hong

Mr. Liu Jun

Mr. Shao Jiazhen

Ms. Zhu Na

Independent Non-executive Directors

Mr. Fang Liqiang

Mr. Chen Di

Mr. Yan Hong

CORPORATE GOVERNANCE REPORT



Biographical details of the Directors and the senior management of the Company are disclosed in the section headed “Biography of Directors and Senior Management” of this annual report. Save as disclosed in such section, to the best knowledge of the Company, there are no other relationships (including financial, business, family or other material relationships) among the Directors and senior management of the Company.

The Company has also met Rule 3.10A of the Listing Rules regarding the appointment of independent non-executive Directors representing at least one-third of the Board.

During the Reporting Period, the Board had met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors (among which, at least one independent non-executive Director shall possess appropriate professional qualifications or accounting or related financial management expertise).

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to the factors as set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent in accordance with the guidelines set out in the Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All Directors will hold office subject to the provisions regarding retirement by rotation of directors under the Articles of Association. Pursuant to the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation and be eligible for re-election, provided that every Director (including those appointed for a specific term) is subject to retirement by rotation at least once every three years. Any person appointed by the Board to fill a temporary vacancy on or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at such annual general meetings.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company’s affairs, including overseeing the Group’s strategic decisions and monitoring business and performance of the Group. To oversee particular aspects of the Company’s affairs, the Board has established three Board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the “**Board Committees**”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company’s expenses for discharging their duties to the Company.

CORPORATE GOVERNANCE REPORT

The Board reserves for its decisions on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal action taken against them arising out of corporate activities. The insurance coverage would be reviewed on an annual basis. No legal proceedings were instituted against any of the Directors in relation to their duties performed for the Company during the Reporting Period.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. All Directors are kept updated on the statutory and regulatory development and changes in the business and the market so as to facilitate the discharge of their responsibilities. All Directors have participated in the courses relating to the roles, functions and duties of a director of a listed company or further enhanced their professional development by way of attending training courses or reading relevant materials for the Reporting Period.

The training records of the Directors for the Reporting Period are summarized as follows:

Directors	Attending seminar or reading materials
Mr. Zou Kang	✓
Mr. Zhang Zhicheng (<i>Chairman and Chief Executive Officer</i>)	✓
Ms. Wan Hong	✓
Mr. Liu Jun	✓
Mr. Shao Jiazhen	✓
Ms. Zhu Na	✓
Mr. Fang Liqiang	✓
Mr. Chen Di	✓
Mr. Yan Hong	✓

CORPORATE GOVERNANCE REPORT

DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION

Details of the emoluments of the Directors and five highest paid individuals for the Reporting Period are set out in note 11 to the consolidated financial statements. The emoluments paid to senior management (who are not Directors or chief executives) during the Reporting Period were within the following bands:

Band of remuneration	Year ended 31 December 2025 (Number of senior management)
HK\$0 to HK\$1,000,000	1

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which has been delegated responsibilities and reports back to the Board. The roles and functions of these committees are set out in their respective terms of reference. The terms of reference of each of these committees will be revised from time to time to ensure that they continue to meet the needs of the Company and comply with the CG Code where applicable. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee comprises three members, including three independent non-executive Directors, namely Mr. Yan Hong, Mr. Chen Di and Mr. Fang Liqiang. Mr. Yan Hong is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are, among others, to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, provide advice and comments to the Board, and make arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The written terms of reference of the Audit Committee are available for inspection on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Audit Committee held 2 meetings to review, among others, the draft audited annual consolidated financial statements and significant issues on the financial reporting, the draft annual results announcement, the draft annual report, the unaudited interim results, the effectiveness and sufficiency of the risk management and internal control systems and internal audit function, and appointment of auditor.

The Audit Committee considers that the annual results for the Reporting Period are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee also met the external auditors without the presence of the executive Directors.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Remuneration Committee comprises three members, including two independent non-executive Directors, namely Mr. Fang Liqiang and Mr. Yan Hong and one executive Director, namely Ms. Wan Hong. Mr. Fang Liqiang is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include, among others, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, making recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management; and establishing a formal and transparent procedure for developing remuneration policy to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. The Remuneration Committee has adopted the approach under code provision E.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The written terms of reference of the Remuneration Committee are available for inspection on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Remuneration Committee held a total of 3 meetings, during which the committee discussed the Company's remuneration policy, the Directors' and the senior management's remuneration structure and matters relating to the Share Award Scheme and made recommendations to the Board on such matters. The details are as follows:

- making recommendations to the Board on the Company's policy and structure for all Directors' and senior management members' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- making recommendations to the Board on the remuneration packages of individual executive Directors, non-executive Directors and senior management members;
- reviewing the Group's policy on expense reimbursements for the Directors and senior management members; and
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Group has adopted the remuneration policy for employees at all levels of the Group with the following key principles:

- market competitiveness: which is assessed by benchmarking against a predetermined target market positioning for comparable jobs, including base salary, allowances, bonus and retirement benefits;
- internal equity: the Company ensures that its staff are paid equitably and fairly, in line with the size of the job, their individual skills and performance, and free from gender bias, racism or other forms of bias; and
- transparency: all staff will be given honest and comprehensive feedback on their performance and how they are viewed by the Company, and their performance will be assessed against these goals and how they measure up to the required competencies for each role.

CORPORATE GOVERNANCE REPORT



The Group has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. The remuneration of Directors and senior management is determined on the basis of the individual's experience, responsibilities, workload, time commitment to the Group, the Group's operating results and comparable market data, subject to review by the Remuneration Committee and approval by the Board. The Company's policy for determining the remuneration payable to the Directors is to ensure that the Directors receive adequate remuneration for their efforts and time contributed to the Company's affairs, including participation in Board Committees. The remuneration of the executive Directors includes basic salaries, pensions, performance bonuses. Details of the remuneration of each Director for the year ended 31 December 2025 are set out in note 11 to the consolidated financial statements in this annual report.

Nomination Committee

The Nomination Committee comprises five members, including two executive Directors, namely Mr. Zhang Zhicheng and Ms. Wan Hong and three independent non-executive Directors, namely, Mr. Fang Liqiang, Mr. Chen Di and Mr. Yan Hong. Mr. Zhang Zhicheng is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include, among others, reviewing the structure, size and diversity required of the Board annually, assisting the Board in maintaining a Board skills matrix and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; monitoring the implementation of diversity policy for board members, supporting the Company's regular evaluation of the Board's performance and assessing the independence of independent non-executive Directors.

The written terms of reference of the Nomination Committee are available for inspection on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Nomination Committee held 2 meetings to review the structure, size and composition of the Board, the Board Diversity Policy and the Directors subject to re-election and retirement by rotation.

In accordance with the Articles of Association, Directors shall be elected by the general meeting with a term of three years and may serve consecutive terms if re-elected. Any person appointed by the Board to fill a temporary vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at such annual general meetings.

At the expiry of a Director's term, the Director may stand for re-election and reappointment for a further term. Subject to the compliance of the provisions of the relevant laws and administrative regulations, the general meeting of the Shareholders may dismiss by an ordinary resolution any Directors of whom the term of office has not expired (the claim for compensation under any contracts shall however be not affected).

The procedures for the appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee will identify individuals suitably qualified to become Directors and make recommendations to the Board on the selection of individuals. The Nomination Committee will determine the composition of board members based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will also make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, taking into account the Company's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY AND NOMINATION POLICY

The Board has adopted the Board Diversity Policy which sets out the basic principles to be followed 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, among others, character and integrity, qualifications, willingness to devote adequate time and a range of diversity perspectives with reference to the Company's business model and specific needs.

Selection and recommendation of candidates will be based on the nomination procedures and the process and criteria adopted by the Nomination Committee and a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of service, personal integrity and time commitments of the proposed candidates. The Company should also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

As at 31 December 2025, the Board comprises nine Directors, two of them are female. The Company targets to avoid a single gender Board and will timely review the gender diversity of the Board in accordance with the business development of the Group. The Company has achieved gender diversity in respect of the Board and believes the balance of gender in the Board would bring more inspiration to the Board and enhance the business development of the Group. The Company will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the Shareholders' expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and the Company is committed to offering occupational development opportunities for female staff so that the Company will have a pipeline of female senior management and potential successors to our Board in the near future.

As at 31 December 2025, approximately 54% of the Company's employees (including senior management) are male and approximately 46% is female. In line with the gender diversity of the Board, the Company targets to avoid a single gender workforce and will timely review the gender diversity of the workforce in accordance with the business development of the Group. The Company's target for gender diversity on the Board is that the proportion of Directors of the same gender will not exceed 70% by the end of 2030.

CORPORATE GOVERNANCE REPORT

As at 31 December 2025, the Board composition is summarized as follows:

		No. of Directors
Gender:	Male	7
	Female	2
Age Group:	31–40	1
	41–50	4
	51–60	4
Length of Director's Service (years)	< 1	0
	1–10	9
Ethnicity	Chinese	9

The Nomination Committee shall review the Board Diversity Policy and the policy on nomination and the measurable objectives periodically, and as appropriate, to ensure the continued effectiveness of the Board. The Board has achieved the measurable objectives under the Board Diversity Policy for the Reporting Period. For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- independence: The Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong element of independence in the Board. The independent non-executive Directors shall be of sufficient calibre and stature for their views to carry weight;
- skills and experience: The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities; and
- gender equality: The Board consisted of two female Directors as of 31 December 2025.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

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

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

During the Reporting Period, 10 Board meetings and 1 general meeting were held by the Company. The attendance records of each Director at the Board and Board committee meetings of the Company held during the Reporting Period are set out below:

Name of Directors	Number of meetings attended in person/required to attend				
	Board meeting(s)	Audit Committee meeting(s)	Remuneration Committee meeting(s)	Nomination Committee meeting(s)	General meeting(s)
Non-executive Director					
Mr. Zou Kang	10/10	—	—	—	1/1
Executive Directors					
Mr. Zhang Zhicheng <i>(Chairman and Chief Executive Officer)</i>	10/10	—	—	2/2	1/1
Ms. Wan Hong (Note)	10/10	—	3/3	1/1	1/1
Mr. Liu Jun	10/10	—	—	—	1/1
Mr. Shao Jiazhen	10/10	—	—	—	1/1
Ms. Zhu Na	10/10	—	—	—	1/1
Independent Non-executive Directors					
Mr. Fang Liqiang	10/10	2/2	3/3	2/2	1/1
Mr. Chen Di	10/10	2/2	—	2/2	1/1
Mr. Yan Hong (Note)	10/10	2/2	3/3	1/1	1/1

Note: Ms. Wan Hong and Mr. Yan Hong have been appointed as members of the Nomination Committee with effect from 13 November 2025.

A notice for any regular Board meeting must be given at least 14 days prior to its convention to provide all Directors with an opportunity to attend, in which matters to be discussed in the agenda for that regular meeting should be presented. For other Board and the Board Committees meetings, reasonable notice will be generally given.

For other Board and Board Committees meetings, reasonable notices will be given. The agenda and accompanying Board papers are dispatched to the Directors or Board Committees members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When any Director or Board Committees members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the company secretary with copies circulated to all Directors for information and records.

Minutes of the Board meetings and the Board Committees meetings are recorded in sufficient detail including the matters considered by the Board and the Board Committees and the decisions reached, and any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committees meeting are sent to the Directors for consideration within a reasonable time after the date on which the meeting was held. The minutes of the Board meetings are open for inspection by Directors.

CORPORATE GOVERNANCE REPORT



The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have potential or actual conflicts of interest.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such 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 against material misstatement or loss.

The Board has established an on-going process for identifying, evaluating and managing the significant risks (including environmental, social and governance risks) faced by the Group and this process includes enhancing the systems of risk management and internal controls from time to time in response to changes in the business environment or regulatory guidelines.

Risk Management

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Group has implemented various risk management policies and measures to identify, assess and manage risks arising from our operations. Details on risk categories identified by our management, internal and external reporting mechanism, remedial measures and contingency management have been codified in our policies. The Board, together with the Audit Committee, should collect information from the risk management system, include discussions of risk and oversight of the management of those risks into the agenda of Board meetings and continuously improve the risk management and internal control systems.

Internal Audit Function

The Group has adopted various measures and procedures regarding each aspect of its operations, such as financial reporting and information disclosure, anti-corruption and relevant whistleblower procedures, property services management and occupational health and safety. Further, the Group has established comprehensive cash management policy and treasury policy, to safeguard the overall financial security and maintain a strong cash position and financial health of the Group. The Group provides periodic training on these measures and procedures for employees as part of the employee training program.

The Audit Committee is responsible for (i) making recommendations to the Directors on the appointment and removal of external auditors; (ii) reviewing the financial statements and rendering advice in respect of financial reporting; (iii) overseeing the risk management and internal control procedures of our Group, making recommendations for rectification, and continuously improving the internal control system, to ensure the system has been duly and effectively established and maintained, including adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function; and (iv) considering major investigation findings on risk management and internal control matters.

During the Reporting Period, the Company has an audit department which is responsible for reviewing the adequacy and effectiveness of the risk management and internal control systems over our major business processes, and reports its findings regularly to the Board and the Audit Committee.

CORPORATE GOVERNANCE REPORT

The main features of the Group's risk management and internal control systems and the key processes that have been established in reviewing the adequacy and effectiveness of such systems are stated below.

- The Board established a governance structure that is designed to govern the Group's business activities with adequate risk management and internal controls in place.
- The Board is responsible for overseeing the established risk management and internal control systems to ensure alignment with the overall business objectives and risk appetite of the Group, as well as effectiveness of strategic planning, operational procedures and internal communication. The Board also assesses and determines the nature and extent of risks faced by the Group in achieving strategic and business objectives.
- The risk management and internal control function assists the Board in ensuring that responsibilities, authorities, and accountability within clear boundaries are carried out in line with the risk management and control responsibilities. Various risk management policies and measures identify, assess, and manage risks arising from operations. Identified risks are assessed based on the likelihood of occurrence and the extent of impact.
- The internal audit function will continue to independently assess principal business and provide independent verification for management, the Audit Committee and the Board.
- Regarding any significant internal control deficiencies, management will identify internal control deficiencies, review control activities and procedures, and if necessary, revise necessary internal policies and procedures. Reports will be submitted to the Board and the Audit Committee at least annually.

The Company has also engaged a PRC legal advisor to advise it on, and keep it abreast of, PRC laws and regulations. The Company will continue to arrange various training to be provided by external legal advisors.

The Board, supported by the Audit Committee and the internal audit findings, has reviewed the effectiveness of the Company's risk management and internal control systems, including resource adequacy, as well as the qualifications, experience of and the training plans and budgets for the Group's accounting and financial reporting staff, at least annually. The Directors have reviewed the effectiveness of the Company's risk management and internal control systems for the year ended 31 December 2025 and consider that the Group's current risk management and internal control systems are operating effectively and sufficiently.

The corporate governance policy sets out the following principles to follow in respect of the corporate governance practices of the Group:

- to maintain an excellent Board with balanced composition of Board members and support from various Board Committees;
- to achieve the diversity of the Board pursuant to the Board Diversity Policy of the Company;
- to ensure that there is a sound and fair remuneration system in place;
- to provide a balanced, clear and comprehensible assessment of the financial performance and prospects of the Group in all the disclosures made to the stakeholders and the regulatory authorities, and to maintain sound risk management and internal control systems and review their adequacy and effectiveness from time to time;

CORPORATE GOVERNANCE REPORT



- to maintain effective communications with Shareholders to solicit and understand their views and keep Shareholders informed of the business and affairs of the Company by maintaining various channels of communications and having direct dialogue with them. Shareholders' communication policy is in place to ensure effective ongoing dialogue with the Shareholders;
- to protect and serve, with due care and detailed consideration, the interest of all stakeholders;
- to develop the Group's business in a sustainable way and participate in activities that are beneficial to the sustainable growth of the Group and the community; and
- to review and enhance its corporate governance policy to ensure that it is in line with the industry, and to disclose information concerning the Group in a timely, clear and objective manner.

Inside Information

The Company is aware of the requirements under the applicable Listing Rules and SFO and the overriding principle that inside information should be announced as soon as reasonably practicable after such information comes to our attention unless it falls within any of the Safe Harbours provisions under the SFO. The Company has developed its disclosure policy for compliance with the inside information disclosure requirements under the regulatory regime, which provides a general guide to the Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. The Directors shall be jointly liable for the information disclosure of our Company, while our joint company secretaries shall also be liable for the information disclosure and be responsible for liaising and arranging such information disclosure where appropriate. Control procedures have been implemented by the Company to ensure that unauthorised access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the Reporting Period. As at 31 December 2025, the Directors were not aware of any material uncertainties relating to events or conditions which might cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Group on a going-concern basis.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements relating to disclosure of inside information and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's financial statements, which are put to the Board for approval.

The Directors are not aware of any material uncertain events or conditions that may adversely affect the Group's ability to continue as a going concern.

The statement of the independent auditor of the Group about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

The total fee paid/payable to the external auditor of the Company, BDO Limited, in respect of audit services and non-audit services for the Reporting Period is set out below:

Category of services	Fee paid/payable RMB'000
Audit services	1,200
Non-audit services	
– Interim review	300
– Issue a statement on the adequacy of the Group's working capital and a statement on indebtedness	180
Total	<u>1,680</u>

JOINT COMPANY SECRETARIES

Ms. Wan Hong and Ms. Ng Ka Man have been appointed as the joint company secretaries of the Company. Ms. Wan Hong, who is also an executive Director, is the primary corporate contact person of the Group. Their biographical details are set out under the section headed "Biography of Directors and Senior Management" of this annual report.

All Directors have access to the advice and services of the company secretaries on corporate governance and board practices and matters.

The joint company secretaries have complied with Rule 3.29 of the Listing Rules by undertaking no less than 15 hours of the relevant professional training during the year.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

The annual general meeting of the Company provides an opportunity for Shareholders to communicate directly with the Directors. The Chairman and Directors will attend the annual general meeting to answer Shareholders' questions. The auditor of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

CORPORATE GOVERNANCE REPORT

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at www.desunhui.com and enquiry channels for investors (telephone: +86 028-80983333; email: ir@desunhui.com), where updates on the Company's business operations and development, corporate governance practices and other information are available for public access. Shareholders may make enquiries about the Company to the Board through the channels above.

The Board regularly reviews the implementation and effectiveness of all communication channels with our Shareholders. We concluded that the shareholders' communication policy was effective during the Reporting Period because no material negative feedback was received.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolutions should be proposed for each substantially separate issue at general meetings, including the election of Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Procedures for Shareholders to Convene an Extraordinary General Meeting

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

Procedures for Shareholders to Propose a Person for Election as a Director

For proposal of a person for election as Director, pursuant to the Articles of Association, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the company secretaries notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Based on this, if a Shareholder wishes to propose a person (the "**Candidate**") for election as a Director at a general meeting, he/she shall deposit a written notice at the Company's principal place of business in Hong Kong at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The notice must state (i) the intention of the Shareholder to propose the Candidate for election as a Director; and (ii) the biographical details of such Candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company and be signed by the Shareholder concerned and the Candidate indicating his/her willingness to be elected and consent of the publication of his/her personal information.

CORPORATE GOVERNANCE REPORT

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or in the Companies Law of the Cayman Islands for putting forward proposals of new resolutions by Shareholders at general meetings. Shareholders who wish to move forward a resolution may request the Company to convene a general meeting in accordance with the procedures mentioned above. For proposing a person for election as a Director, please refer to the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

For putting forward any enquiry to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 18th floor, Block A, Desun International, No.1480, Tianfu Avenue North,
Wuhou District, Chengdu, China

Email: ir@desunhui.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Change in Constitutional Documents

There was no change in the Company's constitutional documents during the Reporting Period. The latest version of the Articles of Association is available on the websites of the Company and the Stock Exchange.

On 27 March 2026, the Board proposed to make certain amendments (the "**Proposed Amendments**") to the existing second amended and restated memorandum and articles of association of the Company (the "**Existing M&A**") for the purpose of, among others, (i) enabling any general meeting to be held physically, as a hybrid meeting (partially physical and partially electronic) or entirely by electronic means, and attendance, participation and voting by electronic means; (ii) allowing the Company to hold repurchased shares as treasury shares (as defined in the Listing Rules); and (iii) making necessary and consequential update to align the Existing M&A with applicable laws of the Cayman Islands and the Listing Rules; and to adopt the third amended and restated memorandum and articles of association of the Company incorporating and consolidating the Proposed Amendments, in substitution for, and to the exclusion of, the Existing M&A (the "**New M&A**"). The Proposed Amendments and the proposed adoption of the New M&A are subject to the approval by the Shareholders by way of a special resolution at the forthcoming annual general meeting of the Company and shall be effective thereupon. For details, please refer to the announcement of the Company dated 27 March 2026.

Dividend Policy

The Company has adopted a policy on payment of dividends taking into consideration various elements including but not limited to, among other things, the earnings, cash flow, financial conditions, capital requirements, and any other conditions which the Board may deem relevant. The policy sets out the factors in consideration, procedures and methods of the payment of dividends with an objective to provide the Shareholders with continuing, stable and reasonable returns on investment while maintaining the Company's business operation and achieving its long-term development goal. The distribution of dividends will be formulated by the Board, and will be subject to Shareholders' approval.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT US

Desun Real Estate Investment Services Group Co., Ltd. (the “**Company**”) and its subsidiaries (collectively as, the “**Group**”, “**Desun Real Estate Investment**”, or “**we**”) have always been rooted in the Chengdu-Chongqing City Cluster, the economic development engine in the southwestern region of the People’s Republic of China (“**PRC**”). Against the backdrop of the profound industry transformation and intensifying competition in the existing market, the Group has adhered to the principle of long-termism, and has formed three major business segments, namely property services, asset operation services and investment and development by extending the service chain horizontally and ploughing into the basic business vertically. Adhering to the customer philosophy of “User-centric, Value-driven and Delivering tangible benefits”, the Group is committed to providing quality services and has accumulated extensive experience in asset operation services and an ecosystem-based service model covering the full chain of “fundraising, investment, management, and exit”. In the future, the Group will leverage its well-established asset operation capabilities to continue strengthening front-end capital fundraising and investment deployment, while further refining back-end value realisation and exit channels. The Group will continuously optimise the integrated “fundraising, investment, management, exit” asset management model that has already taken shape, deploying capital around urban assets to drive industrial development and investment, and enhancing its business system of “operation as the foundation, capital as the driver”, so as to generate greater value for its clients’ assets.

ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to social responsibilities, and considers environmental, social and governance (“**ESG**”) essential to our continuous development. This Environmental, Social and Governance Report (the “**ESG Report**”) summarises the Group’s overall performance, risks, strategies, initiatives and commitments in the five areas, namely corporate governance, environmental protection, employment practice, operating practice and community investment.

Reporting Period

The ESG Report covers the activities, challenges and measures with respect to ESG aspects of the Group for the year from 1 January 2025 to 31 December 2025 (the “**Reporting Period**” or “**2025**”).

Reporting Scope

The reporting scope is consistent with the annual report and is determined based on the materiality of the business segments under the Group’s direct operational control, which includes the Group’s headquarters and the common areas of its managed properties and properties that the management was terminated during the Reporting Period in PRC. The environmental data of some of the managed properties are not available as the property owners are responsible for the use of resources and waste discharge of these properties. We will expand the scope of disclosure when applicable.

Reporting Framework

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the preparation for this ESG Report, the Group has applied the reporting principles in the ESG Reporting Code as follows:

- Materiality:** The materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the board (the “**Board**”) of directors (the “**Directors**”) and the ESG Task Force (“**Task Force**”) of the Company. For further details, please refer to the sections headed “STAKEHOLDER ENGAGEMENT” and “MATERIALITY ASSESSMENT”.
- Quantitative:** The standards, methodologies and applicable assumptions used in the calculation of key performance indicators (“**KPIs**”) data were supplemented by explanatory notes.
- Consistency:** This ESG Report will use consistent disclosure methodologies to allow for meaningful comparisons of ESG data in the future. If there are any changes in the scope of disclosure and calculation methods that may affect comparisons with the ESG report for the year ended 31 December 2024 (“**2024**”), the Group will provide explanations for the corresponding data.
- Balance:** This ESG Report aims to provide a balanced representation of the Group’s performance in five aspects: corporate governance, environmental protection, employment practice, operating practice and community investment. It avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

CHAIRMAN’S STATEMENT

Dear Valued Stakeholders,

On behalf of the Board, I am pleased to present this ESG Report, which demonstrates the Group’s growing commitment to improving its ESG performance in five aspects, including corporate governance, environmental protection, employment practice, operating practice and community investment.

Since the Group’s listing on the Hong Kong stock market in 2021, the Group has been continuously integrating resources and building capabilities around the strategy of “becoming a company with asset operation and management as core business”. We will continue to adhere to our long-term principles, and uphold the three core business philosophies of “Three Goods and Three Qualities” (good products, good services and good organisation; quality, taste and brand), and remain committed to steady, high-quality and sustainable development. In the future, the Group will be dedicated to fulfilling its industry mission, constantly broadening its scope of services, and continuously creating greater value for its clients’ assets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group believes that sustainable development is vital to the community and contributes to the long-term prosperity and development of the Group's business. Therefore, the Group also strives to formulate a sound governance structure to effectively manage ESG matters related to the Group. The Board must assess the potential impact of ESG issues on the overall strategy of the Group, set out ESG management approach and strategy, and supervise the Group's ESG issues. Information about the Group's ESG governance structure is stated in the section headed "ESG GOVERNANCE STRUCTURE".

To identify and prioritise major ESG issues that have a significant impact on our operations and stakeholders, we continuously communicate with internal and external stakeholders. The Board has delegated the Task Force and hired an independent third party to conduct materiality assessments. Information about the stakeholder engagement channels and the materiality assessment conducted by the Group is stated in the two sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT" respectively. In order to have a deeper understanding of stakeholders' expectations of the Group's sustainable development, the Group will further strengthen its communication with stakeholders and formulate relevant policies and measures based on their opinions to improve the Group's ESG performance.

As an enterprise that upholds corporate social responsibility, the Group acknowledges the importance of reducing its impact on the environment. To fulfill the Group's commitment to corporate social responsibility and allow the Group's stakeholders to better understand the Group's progress in improving ESG performance, the Group has set quantifiable environmental targets to align with the national vision of carbon neutrality and enhance corporate reputation. To achieve these targets, the Group actively implements the principles of sustainable development and adopts relevant measures at operational levels. The Board has delegated the Task Force to collect relevant ESG data, track and review the Group's performance, and evaluate the Group's progress towards the targets. Relevant progresses are summarised in the section headed "Environmental Targets". During the reporting year, the Group further deepened its climate-related disclosures by conducting climate scenario analysis for the first time, assessing the physical risks, transition risks, and related opportunities faced by the Group under different climate scenarios, with a view to enhancing the climate resilience of its business operations. In addition, the Group also disclosed its Scope 3 greenhouse gas ("GHG") emissions data for the first time, so as to present a more comprehensive picture of the carbon footprint across its value chain and lay a solid foundation for the formulation of more targeted carbon reduction strategies in the future.

With a vision to "create desirable and blessed living" and with a mission to "create value for customers, pursue happiness for those who strive, and proactively take the responsibility of improving the industry standard", the Group strives to enhance its service quality. Our operation and management system has been recognized by authoritative organisations and has been certified to ISO9001:2015 International Quality Management System, ISO14001:2015 Environmental Management System, ISO45001:2018 Occupational Health and Safety Management System in 2019. In 2025, the Group was honored to receive numerous awards and recognitions, demonstrating the broad recognition and praise from society for its stable management and service capabilities, strong brand power, and continued commitment to corporate social responsibility. We will strive to establish our brand to become one of the well-known brands in the industry, and continue to provide qualified asset management services to our customers.

In closing, on behalf of the Board and the management team of the Group, I would like to express my sincere gratitude to our valued stakeholders for the persistent support, while also expressing my appreciation to our employees for their valuable contribution to the development of the Group. Looking forward, the Group will continue to deepen the integration of ESG concepts into its business strategy and management system, and operate its business in a more responsible and sustainable manner in order to create sustainable value for shareholders and pursue a sustainable future.

Zhang Zhicheng
Chairman of the Board

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG GOVERNANCE STRUCTURE

The Group has developed an ESG governance structure to ensure that ESG governance aligns with its business strategy and to integrate ESG management (including the management of climate-related risks and opportunities) into its business operations and decision-making process.

The Board members have the appropriate skills, experience, knowledge and perspective to oversee ESG issues (including climate-related risks and opportunities) for the Group and are required to discuss ESG-related issues (including climate change-related performance) collectively at least once a year. The Board is principally responsible for setting up the Group's overall ESG vision, targets, direction and strategy, monitoring and reviewing our ESG performances, regularly reviewing material ESG issues, and reviewing performance and progress against ESG-related targets (including those relating to climate change response). The Board is also responsible for determining ESG-related risks (including climate-related risks) and ensuring the effective implementation of risk management and internal control systems. Furthermore, the Board closely follows and monitors the latest ESG-related laws and regulations, keeps the Board informed of any changes in such laws and regulations and updates own ESG measures to make sure that we comply with the latest regulatory updates. To ensure the compliance with the ESG requirements of the Stock Exchange, the Board will oversee the compilation of our ESG reports, and review the content and quality of the ESG reports. Although the Group has not explicitly identified specific climate-related KPIs directly linked to its remuneration policy, management will nonetheless take relevant performance factors into consideration when assessing the Group's overall sustainability effectiveness and organisational development progress, in particular the improvement in operational efficiency and the advancement of GHG emission reduction targets.

To systematically manage ESG issues under the Board's delegations, the Group has established the Task Force. The Task Force is composed of core members from various departments with relevant seniority and experience in all aspects of ESG to assist the Board in overseeing the Group's ESG issues (including climate change-related tasks). The Task Force shall arrange meetings and report to the Board on the findings, decisions and suggestions at least once per year, with the aim of improving the Group's ESG performance (including climate-related management). The Task Force works with an independent third party for the following duties:

- Assisting in conducting materiality assessment;
- Ensuring compliance with ESG-related laws and regulations;
- Assisting in the assessment and identification of the Group's ESG (including climate-related) risks and opportunities;
- Keeping track of and reviewing the progress made against the Group's ESG-related targets, evaluating the effectiveness of current policies and procedures, and formulating appropriate solutions; and
- Collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance and preparing ESG reports.

STAKEHOLDER ENGAGEMENT

As a responsible enterprise, the Group attaches great importance to communication with stakeholders and their feedback regarding its business operation and ESG affairs, while proactively developing its business and improving profitability, to balance the interests of all parties and foster sustainable development. To fully understand, respond, and address the core concerns of various stakeholders, we have been maintaining regular and close communication with key stakeholders, including but not limited to shareholders and investors, customers, suppliers, employees, government authorities and regulatory bodies and the community, non-governmental organisations ("NGOs") and media.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

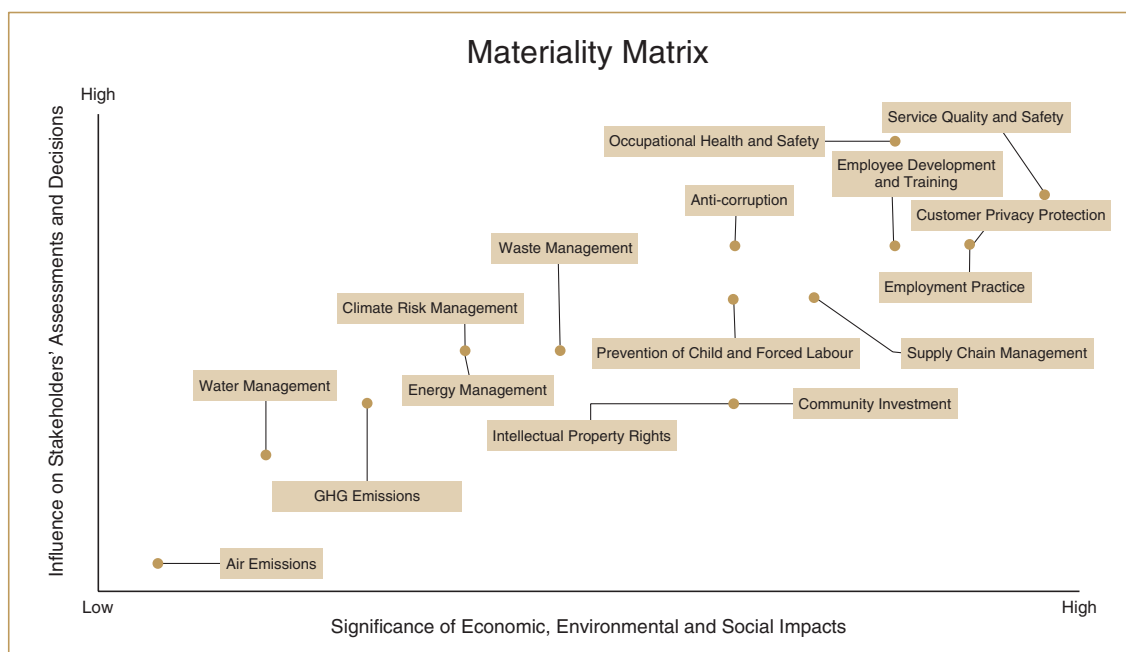
By using the diversified communication channels and expectations shown in the table below, we bring the expectation of our stakeholders into our operation and ESG strategies.

Stakeholders	Communication channels	Expectations
Shareholders and investors	<ul style="list-style-type: none"> Financial reports, announcements, circulars and other public information Annual general meeting and other general meeting of shareholders Telephone and email The Group's website 	<ul style="list-style-type: none"> Investment returns Information disclosure and transparency Protection of shareholders' interests Timely and accurate disclosure of relevant information Improve corporate governance Act in accordance with laws and regulations Anti-corruption
Customers	<ul style="list-style-type: none"> Customer hotline and email Satisfaction survey 	<ul style="list-style-type: none"> Product and services quality Customer privacy protection Business integrity and ethics
Suppliers	<ul style="list-style-type: none"> Review and assessment Site visit Supplier audit 	<ul style="list-style-type: none"> Regulatory compliance Environmental standards and requirements Respectful and fair procurement
Employees	<ul style="list-style-type: none"> Employee performance appraisal Employee training, seminars and briefings Cultural activities such as team building 	<ul style="list-style-type: none"> Remuneration and benefits Work environment Health and safety Career development and opportunities
Government authorities and regulatory bodies	<ul style="list-style-type: none"> Site visit 	<ul style="list-style-type: none"> Compliant operation Information disclosure and transparency Tax payment
The community, NGOs and media	<ul style="list-style-type: none"> Community events ESG reports Media 	<ul style="list-style-type: none"> Contribute to society Environmental protection Compliant operation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

In hope of understanding the views and expectations of stakeholders on the Group's ESG performance effectively, we adopt a systematic approach in conducting the annual materiality assessment. With reference to its business development strategy and industry practices, the Group identified and determined a list of material ESG issues, which covers five major areas: corporate governance, environmental protection, employment practice, operating practice and community investment. The Group prepared a questionnaire based on the list and invited relevant stakeholder representatives to rate the potential material issues according to the importance of the ESG issues to the Group and to the economy, environment and society. The results of the survey were analysed and a materiality matrix was developed. The materiality matrix and the identified material topics were reviewed and confirmed by the Board and the Task Force and disclosed in the ESG Report. During the Reporting Period, the Group's materiality matrix is shown below:



CONTACT US

The Group welcomes opinions and suggestions from stakeholders. You can provide your valuable advice on the ESG Report or the Group's performance on sustainable development via:

Address: Room 1803, 18/F, Block A, Desun International, No. 1480, North Section of Tianfu Avenue,
High-tech Industrial Development Zone, Chengdu, China
Email: ir@desunhui.com

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL

Environmental Targets

In order to ensure that we can effectively implement a sustainable business model, the Group has set multiple environmental targets, closely monitored and regularly reviewed the progress of the targets according to its development trend and strategic approach. Relevant data and year-on-year comparison have been set out in the following sections. Using the year ended 31 December 2021 (“2021”) as the base year, the year ending 31 December 2026 is planned to achieve the following targets:

Aspects	Environmental targets
GHG Emissions	Reduce total GHG emissions intensity (Scope 1 and 2) by 3% (2021: 1.43 tonnes of CO ₂ equivalent per 1,000 square meters of gross floor area).
Non-hazardous wastes	Reduce total non-hazardous waste intensity by 3% (2021: 1.32 tonnes per 1,000 square meters of gross floor area).
Energy management	Reduce total energy consumption intensity by 3% (2021: 2.51 MWh per 1,000 square meters of gross floor area).
Water management	Reduce total water consumption intensity by 2.5% (2021: 33.39 cubic meters per 1,000 square meters of gross floor area).

In 2025, due to the expansion of the Group’s properties under management and the improvement in owners’ occupancy rates, the above environment-related KPIs data all recorded increases compared to 2021. Meanwhile, the total GHG emissions intensity (Scope 1 and Scope 2) and the total energy consumption intensity in 2025 both declined compared to 2024, reflecting the Group’s enhanced awareness of carbon reduction and energy conservation as well as the effective implementation of relevant measures. The Group will continue to actively promote environmental measures in order to achieve its targets.

A1. Emissions

We consider environmental protection to be important and have implemented measures in the operation of our businesses to ensure compliance with all applicable requirements. The Group has actively implemented the “Energy Management System”, “Project Energy Management Requirements”, “Water Conservation Management System” and “Waste Management System” to regulate air and GHG emissions, wastewater and wastes generated during its operations to enhance environmental management in its business processes, with the aim of minimising pollution and environmental damage arising from our daily business operations.

Given the nature of our operations, we believe we are not subject to material environmental liability risk or compliance costs. The Group is committed to complying with all laws and regulations on air and GHG emissions, water and land pollution, and hazardous and non-hazardous wastes emissions, including the “Environmental Protection Law of the People’s Republic of China”, “Water Pollution Prevention and Control Law of the People’s Republic of China” and “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Waste” in PRC. During the Reporting Period, the Group was not aware of any material violations of relevant local environmental laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Air Emissions

Due to our business nature, we do not involve any industrial production or possess any factory facilities and vehicles. Therefore, the Group does not generate a significant amount of air emissions during its operation and hence no relevant targets were set.

GHG Emissions

The Group's direct GHG emissions (Scope 1) include GHG emissions from the use of natural gas in staff canteen and swimming pool, the use of diesel by the backup power generators, as well as the minimal amount of petrol used in landscaping appliances. While energy indirect GHG emissions (Scope 2) include GHG emissions generated from the use of electricity. The Group's indirect GHG emissions (Scope 3) cover activities mainly including but not limited to waste generated from operations (Category 5) and business travel (Category 6). The Group will actively explore the feasibility of expanding its GHG emissions disclosure to cover other GHG emissions (Scope 3). With respect to the emission sources mentioned above, we actively adopt environmental protection and energy-saving measures, which is explained in the section headed "Energy Management" in Aspect A2.

In 2025, the Group's GHG emission intensity (Scope 1 and 2) (1.44 tonnes of carbon dioxide equivalent per thousand square meters ("sq.m.") of gross floor area ("GFA")) decreased by approximately 16% compared with 2024 (1.71 tonnes of carbon dioxide equivalent per thousand sq.m. of GFA). The decrease in total GHG emissions (Scope 1 and Scope 2) was mainly due to the update of our internal emission factor database used for calculating Scope 2 GHG emissions, with the emission factor source from the "Announcement on the Release of the 2023 Electricity Carbon Dioxide Emission Factors": 0.5306 tCO₂e/MWh (2024: 0.6205 tCO₂e/MWh). A summary of the Group's GHG emissions performance is as follows:

Indicators ^{1,2}	Unit	2025	2024
Scope 1 (Direct GHG emissions)	tonnes of carbon dioxide equivalent ("tCO ₂ e")	576.59	508.45
• Natural gas	tCO ₂ e	541.43	486.85
• Diesel	tCO ₂ e	32.43	21.05
• Petrol	tCO ₂ e	2.73	0.55
Scope 2 (Indirect GHG emissions)	tCO ₂ e	17,089.10	18,412.21
• electricity	tCO ₂ e	17,089.10	18,412.21
Total GHG emissions (Scope 1 and 2)	tCO ₂ e	17,665.69	18,920.66
Scope 3 (Indirect GHG emissions)	tCO ₂ e	69.07	—
• Disposal of Paper Waste	tCO ₂ e	33.33	—
• Business Travel — Flights	tCO ₂ e	35.74	—
Total GHG emissions (Scope 1, 2, and 3)	tCO ₂ e	17,734.76	—
Total GHG emissions intensity (Scope 1 and 2) ³	tCO ₂ e/thousand sq.m. of GFA	1.44	1.71

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Note(s):

1. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors” issued by the Ministry of Ecology and Environment of China, the “Global Warming Potential Values” from the “IPCC Sixth Assessment Report”, “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.
2. The Group's Scope 2 GHG emissions primarily stem from the use of purchased electricity, which is calculated and disclosed using a location-based approach. The photovoltaic electricity generated by the Group's own solar panels is for self-consumption and does not fall under the category of purchased electricity; therefore, it is not included in the calculation of Scope 2 GHG emissions.
3. During the Reporting Period, the total building area within the scope of the Group's report was approximately 12,266.43 thousand sq.m. (2024: approximately 11,089.13 thousand sq.m.). This data includes the building area of properties that were terminated from management during the reporting period. This data will also be used to calculate other intensity metrics.

Sewage Discharge

Given the nature of the Group's business, it does not generate any industrial wastewater in the course of operation, but only general domestic sewage. The Group attaches great importance to the effective management of sewage and pipelines, and is committed to reducing waste and pollution. Since the sewage discharged by the Group will be sent to the sewage treatment plant through the sewage pipe network, the amount of water consumption of the Group represents the wastewater discharge volume. Water consumption data and related measures will be described in the section headed “Water Management” in Aspect A2.

Waste Management

Hazardous wastes

Due to its business nature, the Group does not generate any significant amount of hazardous wastes during daily operation, and therefore no relevant targets have been set. Nevertheless, we are devoted to waste reduction. If any hazardous waste is generated, the Group must appoint a qualified hazardous waste collector to handle such waste and to comply with relevant environmental laws and regulations. The Group maintains a high standard in reducing wastes, educates employees the importance of sustainable development and provides them with relevant supports to improve their skills and knowledge in sustainable development.

Non-hazardous wastes

The non-hazardous waste generated in the course of the Group's operations is general waste and paper. The Group has responded to the government's call to implement the four basic principles of waste reduction, including reduce, reuse, recycle and replace, and to monitor, control and handle wastes as required before discharge or disposal. We also promote a green office culture and encourage the use of smart office software to reduce paper usage and to raise awareness of waste reduction among employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In 2025, the Group's non-hazardous waste intensity (2.80 tonnes per thousand sq.m. of GFA) increased by approximately 17% compared with 2024 (2.40 tonnes per thousand sq.m. of GFA). The main reason for this change in 2025 was the expansion of the Group's properties under management and the improvement in owners' occupancy rates. A summary of the Group's non-hazardous waste generation is as follows:

Type of wastes	Unit	2025	2024
Total non-hazardous wastes	tonnes	34,310.21	26,629.31
• General waste	tonnes	34,303.27	26,623.20
• Paper	tonnes	6.94	6.11
Total non-hazardous wastes intensity	tonnes/thousand sq.m. of GFA	2.80	2.40

A2. Use of Resources

As described in Aspect A1, the Group has established policies related to environmental management to manage the use of resources such as water, electricity, natural gas and diesel, with a view to achieving energy-saving and reducing consumption as well as to minimising the negative impact on the environment in our business operations. We review the business operation process regularly and carry out improvement measures to better utilise resources, with the aim of achieving greater energy efficiency and reducing unnecessary consumption of resources.

Energy Management

In addition to the electricity consumption for its daily operation, the Group's energy consumption also includes the use of natural gas in staff canteen and swimming pool, the use of diesel by the backup power generators, as well as the minimal amount of petrol used in landscaping appliances. The Group has also made efforts to reduce energy consumption, with specific measures as follows:

- Establishing the operation schedule of facilities and equipment to regulate and reasonably control the operation period;
- Installing energy consumption metering devices in key areas (including but not limited to service centers, staff dormitories, cafeterias, pump rooms, etc.);
- Regularly monitoring and inspecting the energy usage of common facilities and equipment to ensure that they are maintained in the optimum condition;
- Establishing an energy consumption control plan for each managed property to reasonably control energy consumption and monitor equipment operation and lighting turn-on, etc.;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Specifically: in lighting management, the Group reduces electricity consumption in public areas and equipment rooms by using separate circuit controls, sound-and-light control switches, and energy-saving lighting fixtures. In motor equipment management, the Group reasonably adjusts the operating time and power of ventilation systems in underground car parks, fountain pumps and water supply pumps, and strengthens mechanical equipment maintenance to reduce kinetic and water energy loss. In air-conditioning management, the Group lowers the energy consumption of lift machine rooms, central air-conditioning and other equipment by installing time controllers, adjusting chilled water temperatures, and cleaning filters. In transformer management, the Group further optimizes electricity use by reasonably controlling load factors and reducing unnecessary no-load operation of transformers;
- Posting energy-saving signs at all switches in the common areas of its managed properties; and
- Establishing clear reward and punishment mechanisms to motivate employees to develop and practice energy-saving awareness, ensuring the effective implementation of related measures.

In 2025, the Group's total energy consumption intensity (2.89 MWh/thousand sq.m. of GFA) decreased by approximately 2% compared with 2024 (2.94 MWh/thousand sq.m. of GFA). The increase in total energy consumption in 2025 was mainly due to the following points: an increase in diesel consumption resulting from the increased frequency of emergency power generation by generators caused by municipal power outages; certain projects switched from outsourcing landscaping maintenance to suppliers to carrying out trimming works in-house in order to save operating costs, resulting in an increase in petrol consumption; with the expansion of properties under management and the improvement in owners' occupancy rates, and in order to meet the higher comfort requirements of owners and customers, optimisation and adjustments were made to the operation of elevators and related air-conditioning equipment, resulting in an increase in electricity consumption. A summary of the Group's energy consumption is as follows:

Types of energy	Unit	2025	2024
Direct energy consumption ⁴	MWh	3,258.32	2,944.48
• Natural gas	MWh	2,621.25	2,403.08
• Diesel	MWh	132.63	86.10
• Petrol	MWh	10.86	2.21
• On-site renewable energy generated	MWh	493.58	453.09
Indirect energy consumption	MWh	32,207.13	29,673.18
• Purchased electricity	MWh	32,207.13	29,673.18
Total energy consumption	MWh	35,465.45	32,617.66
Total energy consumption intensity	MWh/thousand sq.m. of GFA	2.89	2.94

Note(s):

4. The unit conversion method of energy consumption data is based on the "Energy Statistics Manual" issued by the International Energy Agency.

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Water Management

The Group's water is mainly used for cleaning, greenery, water features and toilets of common area. Due to the geographical location of the Group's operations, the Group does not have any issue in sourcing water that is fit for purpose. To reduce water consumption, the Group has actively implemented the following measures:

- Formulating standard operating frequencies for cleaning and greening in accordance with the characteristics of each project to eliminate waste of resources;
- Establishing standards for inspection of various water pipes and installing automatic monitoring and alarming equipment to detect water leakage in a timely manner;
- Installing automatic water conservation equipment at suitable water points to improve water efficiency;
- Recycling landscape water for cleaning or greening; and
- Posting water-saving signs at water points such as staff canteen.

In 2025, the Group's total water consumption intensity (51.22 cubic meters per thousand sq.m. of GFA) increased by approximately 15% compared with 2024 (44.70 cubic meters per thousand sq.m. of GFA). The main reasons for this change were the expansion of the Group's properties under management and the improvement in owners' occupancy rates. A summary of the Group's water consumption performance is as follows:

Water consumption	Unit	2025	2024
Total water consumption	m ³	628,295.11	495,644.66
Total water consumption intensity	m ³ /thousand sq.m. of GFA	51.22	44.70

Use of Packaging Materials

Due to business nature, the Group does not sell any physical product, and therefore, the Group's business does not involve the use of packaging materials.

A3. The Environment and Natural Resources

Despite that the Group's major operations do not have a significant impact on the environment and natural resources, we, as a responsible corporation, are committed to mitigating the potential environmental impact of our operations. The Group has implemented the related environmental policies mentioned in the previous sections and is committed to reducing the consumption of natural resources and implementing effective environmental management, in pursuit of best industry practices and to ensure its strict compliance with all relevant laws and regulations.

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Transition to Green Building

The Group is committed to implementing green building principles and providing people with healthy, practical and efficient use of space, and maximising the realisation of high-quality buildings that coexist harmoniously between human and nature. The Group actively promotes the intelligent management of energy and water resources, increases greenery areas, promotes waste classification and disposal, improves indoor air quality and enhances visual and psychological comfort of the buildings. The Group will continue to work together with the property owners to construct a sustainable community.

Raising Environmental Awareness

We are convinced that in addition to strictly requiring employees to implement the environmental protection measures formulated by the Group, we need to proactively promote environmental awareness among our employees to effectively enhance our environmental protection standards. Therefore, the Group reviews its internal policies, issues environmental guidelines and notices to its employees and shares relevant environmental information such as green office from time to time. We will also consider participating in more feasible and appropriate activities to help our employees increase their awareness of the environment and natural resources.

D (formerly A4). Climate Change

In 2025, to demonstrate its commitment to environmental sustainability, the Group adopted the framework of International Financial Reporting Standard S2 (IFRS S2) issued by the International Sustainability Standards Board (ISSB), as well as Part D of the ESG Reporting Code, to enhance the disclosure of climate-related information. We have implemented the “Climate Change Policy” to establish the Group's management approach to mitigating, adapting to, and building resilience against climate change.

Applied reliefs

In accordance with the exemptions permitted by the Stock Exchange, the Group has applied the following relief provisions:

- Financial effects relief: the Group provides a qualitative assessment of climate impacts and does not, at this stage, disclose quantitative financial data.
- Capabilities relief: the Group assesses climate resilience through qualitative scenario analysis rather than complex financial modelling, which is more proportionate to its current resource allocation.
- Reasonable information relief: certain value chain data (e.g., some categories of Scope 3 GHG emissions), as well as the amount and percentage of assets or business activities vulnerable to climate-related transition risks, physical risks, and those aligned with climate-related opportunities, are not disclosed because the relevant data cannot currently be obtained without incurring undue cost or effort.

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Climate related risks and opportunities

The Group is committed to strengthening its resilience to climate change and actively developing itself into an environmentally responsible enterprise. In 2025, the Group carried out climate scenario analysis for the Reporting Period to gain a more comprehensive understanding of, and response to, the potential impacts of climate change. The analysis adopted two climate scenarios from the Shared Socioeconomic Pathways (SSPs) developed by the Intergovernmental Panel on Climate Change (IPCC): SSP1 2.6 (a low GHG emissions scenario consistent with the Paris Agreement target and aiming to achieve net zero carbon dioxide emissions around or after 2050) and SSP3 7.0 (a high GHG emissions scenario in which carbon dioxide emissions are expected to double by 2100). The business scope covered by this analysis is consistent with the reporting boundary of this ESG Report.

The analysis conducted a systematic screening and assessment of physical risks and transition risks separately. This approach helps to gain an in depth understanding of the resilience of the Group's climate strategy and the potential impacts on its core businesses under different climate change projection scenarios, thereby further enhancing the Group's capability to respond to climate change. The analysis assumes that the Group's core business scope and operating region (the Chengdu-Chongqing City Cluster) remain generally stable over the analysis period, and that China's climate policies continue to advance in the established direction. The analysis is primarily based on publicly available climate-related scientific data and industry research reports, combined with qualitative judgments in light of the Group's business characteristics.

With regard to the value chain, the climate related risks identified by the Group are primarily concentrated in our own operational activities. In the upstream (procurement of materials and subcontractor services) and downstream (owners and residents) segments, the transmission of climate risks is relatively limited.

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The following summarizes the climate related risks and opportunities identified that may impact the Group's cash flows, financing channels, or cost of capital. It covers the financial and non-financial impacts on the Group's business model and value chain, the expected time horizon⁵, as well as the Group's response measures (including current and future adaptation and mitigation measures and the resources required).

Climate Risk Category	Climate Risk Description	Potential Impacts	Response Measures
Physical Risk — Acute Risk (medium term)	Frequent occurrence of extreme weather events (such as typhoons, floods and heavy rain)	<ul style="list-style-type: none"> The Group's operating locations are mainly concentrated in the Chengdu-Chongqing City Cluster, which may be exposed to increasingly severe and frequent extreme weather events. These events may increase the risk of power shortages, disrupt supply chains, interrupt the Group's operations and lead to reduced revenue. If they cause damage to equipment and result in asset impairment, they will also increase operating and maintenance costs as well as insurance spending. These events may also hinder employees from working and even pose threats to the health and safety of employees and residents. 	<ul style="list-style-type: none"> The Group has closely monitored the latest weather updates and recommendations issued by local governments and has developed contingency plans for extreme weather conditions, including flood prevention, heat protection, and severe cold weather measures. We also conduct regular evacuation drills to ensure that all personnel are well-prepared to respond to such extreme weather events. We perform regular maintenance on its facilities and equipment and has purchased insurance for employees and assets to minimize or avoid property losses and ensure the health and safety of employees in the event that extreme weather impacts the Group's operating premises. We also consider diversifying our investment portfolio by spreading investments across different regions and types of properties to reduce the impact of extreme weather events in specific regions.

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Climate Risk Category	Climate Risk Description	Potential Impacts	Response Measures
Physical Risk – Chronic Risk (medium to long term)	Long-term changes in climate patterns, such as persistent high temperatures that may cause sea-level rise or prolonged heatwaves	<ul style="list-style-type: none"> Rising average temperatures may reduce the efficiency of cooling systems, increase the energy required for cooling, and lead to operational instability and higher operating costs. Global warming and drought trends may result in water scarcity in the areas where office premises are located. 	<ul style="list-style-type: none"> The Group implements energy-saving retrofits for facilities, strengthen drainage systems, and conduct health and safety management training. The Group also enhances employees' awareness of water conservation by posting water-saving signs and encouraging employees to use water efficiently.
Transition Risk – Market Risk (long term)	Changes in preferences for energy-saving materials, processes and operating models under the transition to a low-carbon economy	<ul style="list-style-type: none"> If market preferences for low-carbon products and services continue to increase, the Group must outperform its peers in capturing market shifts and responding to low-carbon demand; otherwise, demand for our services and products may decline, resulting in loss of revenue and market share. To meet such requirements, we may need to change our operating practices and move towards a more sustainable business model, which could increase operating costs. For example, we may need to replace lighting with energy-saving fixtures or increase greenery areas in properties under management. 	<ul style="list-style-type: none"> We continuously monitor market developments, promptly analyse market trends, and regularly engage with different stakeholders on their views regarding climate related issues, so as to keep the low carbon attributes of our products, services and solutions aligned with customer needs.

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Climate Risk Category	Climate Risk Description	Potential Impacts	Response Measures
Transition Risk – Policy Risk (medium to long term)	Continually updated and increasingly stringent environmental regulations under the transition to a low-carbon economy	<ul style="list-style-type: none"> Given the increasing responsibilities for emissions disclosure, the Group may need to implement stricter measures for monitoring emissions and resource consumption, which could lead to higher associated costs. If we fail to meet climate-related compliance requirements, the Group may face claims and litigation risks, and its corporate reputation may decline, with related compliance costs increasing. 	<ul style="list-style-type: none"> The Group will regularly monitor existing and emerging trends, policies and regulations related to climate change to avoid reputational risks arising from delayed responses. We also consult professional advisers to enhance the compliance and quality of our emissions and climate change disclosures.

Opportunity Type	Opportunity Description	Potential Impacts
Resource Efficiency Opportunities (medium term)	<ul style="list-style-type: none"> With the increasing maturity and cost reduction of energy-saving technologies, the Group can implement energy-efficient retrofit measures in managed properties (such as replacing lighting with LED alternatives, optimizing HVAC systems, and installing intelligent energy management systems) to enhance energy efficiency. 	<ul style="list-style-type: none"> Energy-saving retrofits help reduce electricity consumption and related operating costs of properties under management, thereby enhancing the cost-effectiveness and competitiveness. In the long run, they also help reduce the Group's GHG emissions.

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Opportunity Type	Opportunity Description	Potential Impacts
Policy and Market Opportunities (long term)	<ul style="list-style-type: none"> To achieve the Carbon Peaking and Carbon Neutrality Goals, China may accelerate the transition of its energy system towards carbon neutrality and improve industrial energy efficiency. Accordingly, China may introduce policies to support these objectives (such as promoting investment in renewable energy, expanding the scale of renewable energy installations, and improving green electricity trading and carbon emissions trading systems). Municipal governments are likely to respond proactively by introducing policies and funding initiatives to support green development. 	<ul style="list-style-type: none"> Actively participating in China's transition to a carbon-neutral energy system and the electrification of industry and transportation (e.g., investing in renewable energy projects and related infrastructure) can help enhance the Group's asset value. If governments introduce policies supporting green development, the Group may gain access to government subsidies or tax incentives, which would lower operating costs and increase profitability.

Note:

- The time horizons for the impacts of climate-related risks and opportunities are divided into three categories: short term, medium term and long term.
 - Short term (1 to 5 years): This period focuses on risks and opportunities that are imminent or already beginning to emerge. It aligns with the Group's operational and tactical planning horizon and aims to address current priorities and near-term adjustments required.
 - Medium term (5 to 10 years): This period considers risks and opportunities expected to intensify progressively. It aligns with the Group's medium-term strategic objectives and provides guidance for capital investment and resource allocation to enhance resilience and consolidate competitive advantages.
 - Long term (more than 10 years): This period looks at the more far-reaching long-term impacts of climate change. It aligns with the Group's long-term strategic vision and focuses on driving sustainable development and ensuring the business's long-term stable operation.

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Climate Resilience Assessment

Based on the results of this climate scenario analysis, the Group has conducted a qualitative assessment of the impacts of climate-related risks and opportunities under different scenarios as follows:

Regarding physical risks, under the high-emissions scenario (SSP3-7.0), the frequency and severity of extreme weather events are expected to rise progressively from medium to long term, potentially leading to increased operating expenditures for the Group in facility maintenance, emergency response and insurance. However, given the Group's established contingency plans and insurance arrangements, the related impacts are expected to be manageable. The persistent trend of high temperatures may lead to increased cooling energy consumption in managed properties, thereby raising energy costs for public areas. Under the low-emissions scenario (SSP1-2.6), the impacts of the aforementioned physical risks are expected to be relatively mild.

Regarding transition risks, under the low-emissions scenario, as the transition to a low-carbon economy accelerates, the Group may face higher compliance costs (including emissions monitoring and disclosure costs) and service transformation costs (including investments in energy-saving retrofits) from medium to long term. However, these investments are expected to be offset to some extent by improvements in operational efficiency and enhanced service competitiveness. Under the high-emissions scenario, transition pressures are relatively lower, but the rise in physical risk costs may be more pronounced in the long term.

Regarding climate-related opportunities, the continued growth in market demand for green and sustainable services, coupled with government policy support for green development, may bring new revenue sources and cost-saving opportunities for the Group. The realization of these opportunities will depend on market development trends and policy implementation. The Group will continue to monitor and seize them in a timely manner.

The Group's assessment indicates that it possesses a certain level of adaptability under both scenarios. As the Group adopts an asset-light operating model, we do not own large-scale fixed assets or carbon-intensive facilities. Our high degree of business model flexibility provides a favorable foundation for addressing risks and opportunities across different climate scenarios.

This climate scenario analysis involves certain uncertainties. Firstly, climate scenarios are hypothetical projections, and the actual trajectory of climate evolution may deviate from any single scenario. Secondly, this analysis primarily adopts qualitative methods without incorporating complex climate financial models for quantitative simulation, which imposes certain limitations on the accuracy of the results. Additionally, there is uncertainty in the future policy environment, as actual regulatory requirements and levels of policy support may differ from the assumptions made. The Group will progressively refine the methodology and depth of its climate scenario analysis in future reporting periods as data availability and analytical capabilities improve.

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The Impact of Climate-Related Risks and Opportunities on Business Models and Strategy

The Group has directly incorporated the concept of sustainable development into its business strategy and daily operations, and is progressively driving the transition of its various business activities towards green operations and low-carbon management. As the Group does not engage in large-scale production activities, does not consume substantial energy, does not generate significant emissions, and does not hold major assets that are highly sensitive to climate-related physical and transition risks or climate opportunities, climate-related risks are mainly concentrated on the potential impacts of extreme weather on the continuity of its operating locations and certain operational activities. Overall, the impacts of climate-related risks on the Group's overall business operations and value chain are limited and will not have a material effect on its strategy or decision-making. Therefore, the Group has not formulated a dedicated climate-related transition plan.

The results of this climate scenario analysis have been reviewed by the Board and management. Although climate-related risks and opportunities currently do not have a material impact on the Group's strategic decision-making, the Group has incorporated climate factors as one of the considerations in formulating future operating budgets, resource allocation and business expansion plans to ensure that its strategic planning appropriately reflects the potential impacts of climate-related risks and opportunities.

Looking ahead, the Group plans to further adjust its business model in the following areas: progressively expanding the coverage of energy-saving retrofits and promoting green management practices to a broader range of business scenarios; exploring the introduction of intelligent energy management systems to achieve more refined management of energy consumption; and highlighting the features of green and sustainable services more prominently in bids and service proposals for newly undertaken projects. These adjustments will be implemented progressively, in line with the Group's business development pace and resource allocation capabilities.

During the Reporting Period, the Group allocated relevant human and operational resources to address climate-related matters. In terms of human resources, the Group's ESG Task Force was responsible for coordinating climate-related efforts, including organizing the climate scenario analysis, collecting climate-related data, and preparing the climate-related disclosures in this Report. Personnel from various project management offices also participated in the development and drills of emergency plans for extreme weather events. In terms of external resources, the Group engaged professional consultants to assist in conducting its first climate scenario analysis and preparing climate-related disclosures. In terms of operational resources, the Group allocated resources to energy-saving upgrades and the maintenance and renewal of emergency equipment in managed properties. These resource investments have been included in the Group's annual operating budget and have not caused significant deviations from normal operating expenses.

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Current and Anticipated Financial Impacts

Regarding current financial impacts, during the Reporting Period, the Group did not identify any material capital expenditures, financing or investments related to climate-related risks and opportunities. As of 2025, climate-related mitigation plans have not resulted in any material financial impacts on the Group's financial position, financial performance, or cash flows for the current period. Related investments, when incurred, have been recognized as expenses or capitalized as part of routine asset replacement cycles, and thus have not caused material deviations from normal operating expenditures. In addition, the Group assesses that there is no significant risk of material adjustments to the carrying amounts of assets and liabilities in the next reporting period due to climate-related matters.

Regarding anticipated financial impacts, given the nature of the Group's business and its asset structure, the expected impacts of climate-related risks and opportunities on the Group's financial position, financial performance and cash flows are limited in the short term, while the extent of medium- to long-term impacts will depend on the actual evolution of climate change and changes in the policy environment. The Group expects no material capital expenditures, financing or investments due to climate-related matters in the short term.

The Group has applied the financial effects relief permitted by the Stock Exchange and will not disclose quantitative financial data for the time being. It will gradually enhance the granularity of financial impact assessments in the future when sufficient data and methodological foundations are in place.

Identification and Assessment Process for Climate-Related Risks

The Group has established a systematic process for identifying, assessing, prioritising and monitoring climate-related risks. This process is coordinated by the ESG Task Force and operates under the supervision of the Board and management, in coordination with the Group's overall risk management framework.

In risk assessment, the Group primarily uses qualitative methods to evaluate the nature, likelihood and impact severity of various climate-related risks. Specifically, based on the likelihood of occurrence (judged from historical data, scientific projections and policy trends) and the severity of potential impacts on the Group's business operations, financial position and reputation, identified risks are qualitatively graded.

Prioritisation and Monitoring of Climate-Related Risks

Climate-related risks are prioritised against other enterprise risks based on their likelihood of occurrence and potential impact severity. Compared to other risk categories (such as operational risks, financial risks and regulatory risks), climate-related risks are currently ranked as lower priority due to their relatively limited potential impacts. However, the Group will continue to monitor them to respond promptly to possible changes.

The ESG Task Force reviews identified climate-related risks on a regular basis (at least annually) to assess whether risk conditions have changed. This Reporting Period marks the Group's first formal climate scenario analysis, with the specific input parameters and assumptions incorporated into the risk management process. Compared to the previous reporting period, there have been no other material changes to the risk management process.

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Applicability Assessment of Cross-Industry and Industry-based Metrics

After careful assessment, the Group considers that certain cross-industry metrics and industry-based metrics have limited relevance to understanding the Group's climate-related performance and thus are not disclosed. Specifically, the Group does not hold major assets that are highly sensitive to climate-related transition or physical risks (such as large property assets in high flood-risk areas or carbon-intensive production facilities), nor does it engage in business activities highly sensitive to climate change. Therefore, it does not separately quantify and disclose the amounts of assets or business activities vulnerable to climate-related risks or opportunities. As at the end of the Reporting Period, the Group has not applied an internal carbon pricing mechanism in its business decisions, mainly because our direct emissions are relatively small, it is not yet covered by China's emissions trading scheme, and the urgency and practical benefits of introducing internal carbon pricing are limited. Furthermore, as the Group is principally engaged in asset management services and does not operate in a high-carbon-emitting or energy-intensive industry, there are currently no internationally recognised industry-specific decarbonisation pathways available for benchmarking. Accordingly, industry decarbonisation metrics have limited applicability to the Group and have not been disclosed at this stage.

B. SOCIAL

B1. Employment

We believe that the expertise, experience and professional development of our employees contribute to the growth of the Group's business. For our sustainable and stable development, we strive to improve the human capital development and management system to regulate the management details of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare, to protect the vital interests of employees and build a harmonious labour relationship.

The Group is committed to complying with all laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including but not limited to the "Labour Law of the People's Republic of China" and the "Labour Contract Law of the People's Republic of China" of PRC. During the Reporting Period, the Group was not aware of any material violations of relevant local employment laws and regulations.

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The Group's employees within the reporting scope are classified as follows:

Indicators	Number of employees		Percentage	
	As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
Total	1,333	1,235	N/A	N/A
By gender				
Male	720	674	54%	55%
Female	613	561	46%	45%
By employment type				
Full-time	1,288	1,179	97%	95%
Temporary/Part-time	45	56	3%	5%
By age group				
< 30	360	381	27%	31%
30–50	752	663	56%	54%
> 50	221	191	17%	15%
By geographical region				
Sichuan, China	1,125	1,093	84%	89%
Other provinces in China	208	142	16%	11%
By employee category⁶				
Senior management	54	48	4%	4%
Middle management	298	284	22%	23%
General staff	981	903	74%	73%

Note(s):

6. The classification of employee category is as follows: Senior management includes deputy director level or above; middle management includes key management and managerial level; and general staff include operational level.

Recruitment, Promotion, Remuneration and Dismissal

The Group has established policies such as the “Recruitment Management System”, “Internal Competitive Recruitment Management System”, “Compensation Management System” and “Promotion and Demotion Management System” and endeavours to recruit talented employees by offering competitive wages and benefits and promotion opportunities.

Our recruiting processes primarily comprise the following stages:

- **Confirming recruitment requests:** Our human resource department receives recruitment requests from relevant business department and confirms such requests are in compliance with the annual recruitment plan established in the beginning of the year.
- **Screening and selection:** Our screening and selection processes primarily include (i) review and screening of resumes by the human resources department and the relevant recruiting department, (ii) video interviews or face-to-face interviews by the human resources department and the relevant recruiting department, and (iii) we may also arrange additional tests or interview, such as leadership assessment, personality tests and case studies according to our internal policies.

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- Recruitment decision: We evaluate and select outstanding candidates based on a variety of factors, including technical knowledge, industry experience, professional skills, soft skills, work ethics and personalities. We aim to find the best fit for each position and typically will do a background search of potential candidates before sending offers.

We have developed a fair, equitable, reasonable and competitive compensation system and career development programmes, and have formulated policies such as the “Performance Management Guidelines”, “Comprehensive Incentive System”, “Employee Recognition Program”, and “Innovation Incentive Management Measures” to motivate our people to develop their specialty, meet the Group’s and employees’ personal development needs, and thereby enhancing operational performance. We will determine salaries and benefits for our employees and provide them with suitable promotion opportunities and clear career paths according to their job scope, qualifications, employee appraisal performance and market conditions. We have established a career development platform for employees with dreams and goals, where we set up “management” and “professional” career promotion channels. Employees can choose different promotion channels according to their own conditions. In addition, the Group complies with the relevant employment regulations and guidance. If employees need to be dismissed, we will follow the procedures and provide reasonable compensation to the dismissed employees. The relevant provisions on termination of the employment relationship have been set out in the employment contract of every staff.

Apart from basic remuneration and bonus, the Group also provides comprehensive employee benefits to its employees. The Group protects the legitimate rights and interests of its employees in accordance with the requirements of the “Labour Contract Law of the People’s Republic of China” and other laws and regulations, and has formulated the “Attendance and Leave Management System” to standardise attendance and rest management and maintain normal working in order to protect the working hours of employees and their rights to various types of rest time and holidays. The leave entitlements of employees include sick leave, personal leave, paid annual leave, statutory leave, wedding leave and funeral leave etc.

The Group also organized the following activities in response to its employer philosophy: “employees are the valuable assets of Desun Real Estate Investment, and Desun Real Estate Investment is a stage for all employees to showcase their talents and a platform to achieve mutual growth and success”:

- In May 2025, the third “De Xiaoqiang Cup” basketball tournament was successfully held. Four teams from various business segments, competed on the same court, showcasing their team spirit and collective sense of honor.



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- In the same month, the Group organized the “Walk Together • Journey to Mountains and Seas” hiking activity in WenChuan Ganhaizi. The core team of the Commercial Company challenged themselves during the elevation climb, completing a five-kilometer hike. Along the way, they not only enjoyed the natural scenery but also relieved stress through sweat and laughter, embodying the Group's advocacy for a healthy lifestyle.



- In July 2025, the Group launched the “Reciprocal Efforts Under the Heatwave” campaign to deliver cooling supplies during extreme heat conditions. In response to ongoing high-temperature warnings, the functional team visited various frontline projects, delivering thoughtfully prepared cooling materials to staff working diligently in their positions, turning corporate care into practical actions.
- In September 2025, the third Desun Mid-Autumn Music Festival concluded successfully. Desun employees gathered to pay tribute to hard work through music and convey strength through singing. This musical feast embodied the positive values of “mission-driven passion”, “sustained positive mindfulness”, and “happy work, happy life”.



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In 2025, to support the high-quality development of new business, the Group actively implemented organizational restructuring and upgrades, which led to fluctuations in the employee turnover rate. The Group's employee turnover rate by gender, age group and geographical region within the reporting scope is as follows:

Employee turnover rate ⁷	2025	2024
Total	29%	38%
By gender		
Male	27%	31%
Female	31%	46%
By age group		
< 30	48%	58%
30–50	23%	31%
> 50	18%	23%
By geographical region		
Sichuan, China	25%	33%
Other provinces in China	50%	70%

Note(s):

7. Employee turnover rate = the number of employees leaving employment in the specified category for the year ÷ the average number of employees in the category at the beginning and end of the year × 100%.

Equal Opportunity, Diversity and Anti-discrimination

We understand the value of a diverse and professional team of talents. We are dedicated to developing and maintaining an inclusive and cooperative workplace culture where all staff can thrive. The Group is devoted to providing equal opportunities for all employees and to ensuring that employees are free from any discrimination, physical or verbal harassment in the workplace on the basis of gender, race, religion, age, marital and family status, disability or any other grounds. To ensure a fair and equal protection for all employees, the Group does not tolerate any form of sexual harassment or bullying in the workplace.

B2. Health and Safety

Due to the Group's business nature, the working environment within the Group does not expose employees to significant safety hazards, however, we acknowledge the importance of occupational health and safety, and endeavour to provide our employees a safe and pleasant working environment. We have formulated a series of health and safety management measures at our workplace with reference to relevant laws and regulations to safeguard the health and safety of our employees.

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The Group is committed to complying with all laws and regulations related to health and safety, including but not limited to the “Labour Law of the People’s Republic of China” and the “Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases” of PRC. During the Reporting Period, the Group did not discover any major violations of relevant local laws and regulations on health and safety. In the past three years (including the Reporting Period), the Group has not recorded any work-related fatalities, maintaining a work-related fatality rate of zero. During the Reporting Period, a total of 6 employees of the Group were injured due to work-related injuries, and a total of 426 days of lost working days due to work-related injuries were recorded (2024: A total of 3 employees were injured due to work-related injuries, and a total of 689 workdays lost due to work-related injuries were recorded), the number of working days lost due to work-related injuries is calculated based on the number of sick leave days taken by the injured employees.

Occupational Health and Safety

With an aim at ensuring the safety of working environment, we have established a system for occupational safety and health, and periodically provide workplace safety trainings to employees to increase their awareness of work safety issues. In respect of fire safety, the Group formulated the “Management Procedures for a Civilised Office” to prohibit employees from smoking in the office area, or bringing flammable, explosive and other items into the office area. The Group also regularly organised fire drills to ensure normal operation of fire prevention facilities and operation system and prevent the emergence of fire incident. In addition, the Group also formulated the “Management Procedures for Canteen” for its staff canteen to stringently standardise canteen’s food quality, cleanliness of dining utensils and dishes, as well as work hygienic requirements for practitioners, so as to safeguard the health and safety of our employees. The Group has established a “Warehouse Management System” for the storage of goods, which requires the classification of hazardous materials and the provision of fire extinguishers in the vicinity. The Group has also established the “Confined Space Safety Management System” and the “Major Incident Reporting Management System” to regularly monitor and evaluate the safety measures, and make immediate corrections to prevent work-related accidents.

B3. Development and Training

The Group believes that the investment into its talent helps to foster a strong organisational culture, leading to employee satisfaction and strengthening their commitment to the Group. In order to give impetus to the growth of operating results, continuous innovation and core competitiveness, the Group places importance to the establishment of corporate internal management training and development mechanism. In order to strengthen training management, the Group has implemented the “Training Management Operational Procedures” to regulate the processes of training planning, preparation and execution, evaluation and feedback to enhance the efficiency and effectiveness of training management. The Group has also established the “Training Discipline Management Implementation Rules” to motivate employees to actively participate in training to enhance their professionalism, expertise and capability.

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Training Plan

We provide various systematic and extensive training programmes to our employees. Our employee training programmes primarily cover key areas in our business operations, which provide continuous training to our existing employees at different levels to specialise and strengthen their skill sets. Our employee training programmes are primarily classified into the following categories:

- **New Employees Orientation Programmes:** We have established various internal guidelines, including “Guidance Procedures for New Employees” to standardise the orientation programmes in order to help the new employees to quickly adapt to our working environment. We provide orientation programmes for our new employees, typically within two months when the new employee is on board, including but not limited to corporate culture trainings, internal policies trainings, professional skills trainings and mentorship programmes;
- **On-going Training Programmes:** We regularly provide learning and training opportunities for our employees. We have established internal guidelines including “Training Management System” and “Knowledge and Innovation Management System” to organise structured training for our employees in various levels and job functions; and
- **External training:** We make arrangement for our employees to participate in training programmes, visits or exchange activities organised by external parties according to the Group’s business needs. We have formulated the “Implementation Rules for External Training Management” to regulate the process of relevant training programmes as to fully realise the effect of external training.

During the Reporting Period, the Group organised the following training activities:

- In May 2025, the “Golden Seed Helmsman” programme was officially launched. Project supervisors, executives and divisional representatives from various divisions of the property services segment gathered together for the event, where regional leaders delivered thematic presentations. Desun’s Chairman Zhang Zhicheng and General Manager Liu Jun each gave concluding speeches, marking the start of the semi-annual talent enhancement initiative. Following this, all participants engaged in a series of activities combining fun and challenges, effectively strengthening team cohesion and trust.



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- In June 2025, the Group actively responded to the Chengdu Property Management Association's "Rescue Around You • Caring Property Management" initiative by organizing a "AED Defibrillation + Wound Bandaging" intensive first aid training camp. This program aimed to build a solid safety foundation for the protection of residents' lives.



- In August 2025, the Group continued to promote the "Cultural Deepening in Progress" cultural implementation activities. By integrating corporate culture into daily services and project advancement, the Group solidly implemented cultural concepts from multiple dimensions, transforming cultural strength into dynamic energy to elevate service quality.



- In October 2025, the fourth-quarter new employee training was successfully conducted. Participants of the 22nd "Rookie Camp" gathered at the corporate headquarters, where in-depth discussions and training sessions were held to help new employees integrate into the corporate culture and embark on a new chapter of professional growth.



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During the Reporting Period, the Group's percentage of employee trained⁸ was approximately 100%, (2024: approximately 100%). The breakdown of employees trained and the average training hours per employee by gender and employee category are summarised as follows:

Indicators	Breakdown of employee trained ⁹		Average training hours ¹⁰	
	2025	2024	2025	2024
Total	N/A	N/A	13.94	13.95
By gender				
Male	55%	45%	14.12	11.54
Female	45%	55%	13.73	17.04
By employee category				
Senior management	3%	5%	5.48	18.28
Middle management	12%	18%	5.50	11.03
General staff	85%	77%	16.96	14.65

Note(s):

8. Percentage of employees trained = the total number of employees trained for the year \div the total number of employees at the end of the year \times 100%.
9. Breakdown of employees trained = the number of employees trained in the specified category for the year \div the total number of employees trained for the year \times 100%.
10. Average training hours = the number of training hours in the specified category for the year \div the number of employees of the specified category at the end of the year.

B4. Labour Standards

The Group strictly complies with "Regulation on Labor Security Supervision" and "Provisions on the Prohibition of the Use of Child Labour" of PRC to prevent any employment of child labour and forced labour. During the Reporting Period, the Group was not aware of any material violations of laws and regulations on the prevention of child labour and forced labour.

Prevention of Child and Forced Labour

The Group has set out all recruitment procedures and requirements in detail in the "Recruitment Management System". Before new employees are hired, the Group's integrated management centre and the person in charge of each manpower recruitment will be responsible for conducting stringent background checks on the candidates to eliminate any employment of child labour. When any irregularities are found, the Group will immediately investigate and take disciplinary actions. If necessary, the Group will further improve the labour mechanism against non-compliance.

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In addition, all employees of the Group work overtime on a voluntary basis and the relevant working hours and overtime regulations are set out in detail in the “Attendance and Leave Management System” in order to avoid any violation of labour standards and to safeguard the rights and interests of employees in a practical manner. The Group prohibits any form of forced labour practices, slavery and trafficking of labour. If any form of forced labour is found, the Group will immediately investigate and immediately stop the forced labour situation, and will communicate and discuss the situation investigated and the opinions collected to the senior management in a timely manner to jointly seek a solution.

B5. Supply Chain Management

The Group has established a series of stringent and standardised supply chain management procedures and has implemented the following practices on supplier engagement for all suppliers. During the Reporting Period, the Group had a total of 168 suppliers, of which 160 were located in mainland China, and 8 in Hong Kong (2024: a total of 158 suppliers, of which 150 were located in mainland China and 8 were located in Hong Kong), mainly included our sub-contractors, utility companies and listing advisors.

Procurement Mechanism

The Group has formulated the “Tender and Procurement Management Procedures”, “Internal Control Management System for Tender and Procurement”, “Implementation Rules for Tender and Bidding Management”, and “Implementation Rules for Quotation and Procurement Management”, which clearly state the Group’s tender and procurement management principles and control requirements, and regulate the procurement process and criteria. The Group would ensure that the tender and procurement are carried out based on the principles of openness, fairness and impartiality to raise efficiency, secure quality, lower risks concerning tender and procurement and seek premium resources suitable for the enterprise. Potential suppliers or newly introduced suppliers are shortlisted as qualified suppliers provided that they must have passed the Group’s evaluation in relation to quality, environment and other aspects. The Group’s financial management centre has overall supervision of the procurement process and will regularly carry out supervision and evaluation work, and implement rectification against disciplinary offences and violations.

The Group endeavours to support local economies and prioritises the procurement from local and regional suppliers to lower the carbon footprint during transportation. The Group has also formulated “Implementation Rules for Green Procurement Standards” and gives priority to suppliers that use environmentally preferable products and services in the selection process. If any material violations of laws and regulations are found, the Group will terminate the contract with such suppliers.

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Supply Chain Environmental and Social Risk Management

The Group has formulated the “Implementation Rules for Supplier Management”, which clearly classifies suppliers with business dealings with the Group and the obligations of various departments to manage potential environmental and social risks within the supply chain. The Group concerns about the integrity of suppliers, and only selects suppliers and partners with good business track records and without any material violations of laws or business ethics in the past. The Group would not tolerate any behaviours regarding bribery and corruption, and strictly forbid suppliers from obtaining procurement contracts or partnerships through any forms of transfer of benefits or gifts. We will be keen on monitoring and assessing the ability of suppliers in fulfilling our requirements. To ensure the overall quality of suppliers, we would formulate the criteria for supplier management and organise training, and maintain an approved list of suppliers based on a series of assessment criteria. Subsequent to preliminary assessment, we would also review suppliers’ performance periodically, and set ratings for suppliers. Based on opinions for quarterly evaluation and the situation of cooperation, the Group would liaise and communicate with suppliers’ senior management personnel, express opinions and requirements for rectification, and urge them to rectify within a time frame, striving to minimise potential environmental and social risks in the supply chain.

B6. Product Responsibility

The Group aims to build and enhance our own brand and to become a leading integrated asset management service provider. As a high quality asset management service provider, the Group believes that quality control is critical to our success. We strictly comply with all relevant laws and regulations relating to product responsibilities, including but not limited to “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests”, “Advertising Law of the People’s Republic of China”, “Measures for the Administration of Internet Advertising” and “Product Quality Law of the People’s Republic of China” of PRC. During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations in relation to product and service quality, and no material complaints were received in relation to products and services (2024: no material complaints). Customer satisfaction has reached our expected level. The Group is principally engaged in the provision of asset management and related value-added services, which are not required to recall products due to health and safety reasons, and are not applicable to the disclosure of products recall-related procedures.

As part of the development strategy, the Group continuously integrates premium resources, focuses on nurturing professional talents, pursues ongoing service enhancement in substance, revamps service methods, and improves service quality to constantly cater to the diversified needs of property owners, customers and partners.

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In 2025, with the core concept of “passion-driven, value co-creation”, the urban community platform “Desun Community Hub”, has established over 150 communities in operation and organized more than 1,500 events, creating a utopia for modern urbanites together with all customers of Desun Real Estate Investment. Meanwhile, the Group has abandoned the traditional intermediary model of value-added services in the industry. Instead, it focuses on addressing customers' real needs through a self-operated model, providing more genuinely high-quality products. Self-operated services such as laundry and car washing launched in 2024 have received unanimous praise from customers. The customer-centric philosophy has been deeply integrated into every business operation of the Group. Our operation and management system has been recognized by authoritative organisations and has been certified to ISO9001:2015 International Quality Management System, ISO14001:2015 Environmental Management System, ISO45001:2018 Occupational Health and Safety Management System in 2019 and has remained certified to date.

Looking back at 2025, the Group was honored to receive numerous awards and recognitions, demonstrating the broad recognition and praise from society for our stable management and service capabilities, strong brand power, and continued commitment to corporate social responsibility. The list of awards is as follows:

Awarding organisations	Award titles
Beijing Zhongwu Think Tank Information Technology Co., Ltd.	Top 10 Residential Property Service Brands in Chengdu in 2025
China Index Academy	2025 Chengdu Property Service Market Leading Enterprise
China Index Academy	2025 Western Region Property Service Market Leading Enterprise
China Index Academy	2025 Top 10 Property Service Enterprises in Key Provinces and Cities of Western China
China Index Academy	2025 Top 50 Property Service Enterprises in Western China
Sichuan Real Estate Association	Sichuan Province Integrity Property Service Enterprise
E&H Consulting	2025 TOP 100 China Property Service Excellence
Yongquan Police Station, Wenjiang Branch of Chengdu Public Security Bureau	Advanced Unit for Safety and Security Prevention
Phoenix Community Residents' Committee, Yongquan Sub-district, Wenjiang District, Chengdu	“Phoenix” Outstanding Organization

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Service Quality and Safety

The Group believes that attention to detail is an integral part of serving our customers and building our brand. We strive to build strong relationships with our customers by exploring and catering to their needs to enhance and improve the quality and technology of our services. To maintain high service standards and quality, we have established a comprehensive service quality monitoring system, which includes a series of standardised procedures, such as “Property Quality Control System”, “Service Measurement and Monitoring Procedures” and “Non-conforming Product/Service Control Procedures”. We require our employees and subcontractors to complete inspection checklists after each round of scheduled inspections, to record their observations and to update as to the property’s conditions. We also provide written protocol to our staff on janitorial services and operation of different facilities such as elevator systems and fire-extinguishing equipment. In addition, the Group has also established “Safety Management System”, and conducts regular fire safety inspections, equipment maintenance, and orderly inspections to maintain and repair equipment or improve quality in a timely manner to ensure community safety at all times.

We adhere to our operation principle to focus on our customers when planning and delivering our services. In order to improve customer experiences and increase customer loyalty and satisfaction, we efficiently allocate our resources across our multiple service lines and create various value-added services. We have deployed information technologies to our services platforms and workflow processes to improve customer engagement and operational efficiency, including information management, smart community management and intelligent customer services. We have successfully leveraged the Internet of Things to create an online service platform that provides a wide range of services such as home renovation, housekeeping, leasing, and merchant management services. We have also launched an online management system that uses information technology to manage the access control, parking, security monitoring and office building operations in a unified manner. The system is scalable and able to integrate services into our managed assets effectively and improve the service and resource utilisation efficiency. We have established the “Product Research and Development Management System” to regulate the development and management processes of related software.

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In order to ensure consumer satisfaction, we engage third-party surveyors to conduct property management service quality reviews at our managed properties on an annual basis. In addition, we also conduct internal reviews on consumer satisfaction at all our managed properties on a monthly basis. We keep track of our customers' feedbacks on our service quality and set up "400 National Customer Service Supervision Hotline" and arrange customer service staff to ensure that we can tackle with customers' concerns and complaints in a timely and effective manner. In addition, we have established the "Corporate WeChat Customer Service Usage Guidelines" to ensure that our customer service team adheres to consistent standards and guidelines. Furthermore, we have also adopted "Customer Complaint Handling Standard" and "User Service Management System" to manage customers' complaints. Our customer service personnel are required to respond to the customer's complaints in a timely manner, discuss the problem with the customer to understand the relevant background of the issue and propose a preliminary solution to the extent possible. On an as-needed basis, the personnel may also contact other departments, such as repair and maintenance, to arrange assistance to resolve the issue. During the reporting period, the Group opened customer rights and interests channels to provide customers with convenient feedback channels and improve customer accessibility. The Group handled a total of 104,547 project repair requests and equipment maintenance/repair cases, 209,581 work orders, and 60,208 inquiry feedback items, making every effort to resolve and respond to owners' concerns.

Customer Privacy Protection

Due to its business nature, the Group handles a large amount of customer personal or corporate information. The Group places great importance on protecting the rights and privacy of its customers and is committed to safeguarding and protecting personal data privacy through the implementation of high security and confidentiality standards and ensuring strict compliance with regulatory requirements on data privacy. We have established the "Consumer Information Security Management Standard", which requires our employees to handle customers' personal data with care, in order to raise staff awareness of the need to protect customer privacy. The Group regularly inspects the effectiveness of the implementation of relevant policies. If any violation of privacy is found, the Group will quickly investigate in accordance with the policy, stop its influence, and deal with the corresponding responsible personnel.

Intellectual Property Rights

We consider intellectual property crucial to our success. We primarily rely on laws and regulations regarding trademarks and trade secrets, as well as contractual commitments to confidentiality and non-competition made by our employees and third parties, to protect our intellectual property. As of 31 December 2025, we had registered 12 trademarks, 17 software copyrights for management systems, and 6 domain names. During the Reporting Period, we were not aware of any infringement by the Group on any third party's intellectual property, nor were we aware of any infringement by any third party on the Group's intellectual property, that might have a material adverse effect on our business operations. We were also not aware of any disputes with third parties regarding intellectual property. The Group will continue to monitor to ensure its intellectual property is not infringed.

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Advertising and Labelling

Our sales and marketing team is mainly responsible for the planning and formulation of overall marketing strategies, conducting market research and coordinating sales and marketing activities for promotion of products and services. We would implement stringent regulation and examination on the promotion of all products and services to ensure that the relevant task is in compliance with applicable laws and regulations regarding promotion and labelling. Such promotion must accurately reflect the service quality, efficacy and service content of the Group, without containing any misleading, fake promotion.

B7. Anti-corruption

We believe that an integrity-based corporate culture is key to our sustained success, so we place great emphasis on anti-corruption efforts and institutional building, and resolutely eliminate any corrupt behaviour. The Group strictly complies with provisions of laws and regulations such as the Company Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China. During the Reporting Period, the Group did not identify any material incidents of non-compliance with laws and regulations regarding the prevention of bribery, extortion, fraud and money laundering, nor were there any concluded corruption litigation cases (2024: none).

Anti-corruption and Integrity

The Group adopts a “zero tolerance” attitude towards anti-corruption and fraud and has authorised its audit department to assume responsibility for daily execution of its anti-corruption and anti-fraud measures, including handling complaints, ensuring protection for the whistle-blower and conducting internal investigations. We have established the “Operational Guidelines for Monitoring Management” to eliminate any corruption within us and prevent improper interests, and are committed to creating a working environment with integrity and building a clean, open and transparent corporate culture. We will undertake rectification measures with respect to any identified corrupt or fraudulent activities, evaluate the identified corrupt or fraudulent activities and propose and establish preventative measures to avoid future non-compliance.

In addition to including relevant policies and express prohibitions against non-compliance in staff handbooks, the Group provides anti-corruption compliance training seminar at least once per year to Directors and employees to familiarise them with their corresponding roles and responsibilities in anti-corruption and business ethics and to ensure compliance with applicable laws and regulations. During the Reporting Period, 9 directors and 150 employees have received a total of approximately 13.5 hours and approximately 150 hours of anti-corruption training respectively (2024: 9 directors and 70 employees received approximately 45 hours and approximately 210 hours of relevant training respectively).

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Whistle-blowing Mechanism

The Group attaches great importance to the integrity and honesty of its employees. The Group has formulated the “Management Procedures of Complaints and Whistle-blowing (Rewards)” to regulate the operational procedures of complaints and whistle-blowing, to combat all kinds of corruption and violation of rules and regulations, and to encourage employees to actively report all kinds of corruption problems. When a report is received, we will conduct immediate investigation and take appropriate action as necessary. We also undertake to protect the identity of the whistle-blower so as to eliminate any conflict of interest or conduct that may be detrimental to the interests of us and relevant stakeholders. The Board will also review the effectiveness of this reporting system on a regular basis.

B8. Community Investment

In pursuit of business development, the Group is also committed to serving the community and has formulated the “Social Welfare Management System”, the “Community Resource Management and Reward/Penalty System”, and the “Community Cultural Activities Implementation Guidelines” to regulate its social events and donations, so as to indicate its identity as a corporate citizen. The Group will continue to make contributions to the community, pay attention to the society as well as the difficulties and needs of the underprivileged parties at all times, and actively reward to the society, with an aim to facilitate social harmony.

Corporate Social Responsibility

In addition to encouraging and supporting our employees to engage in volunteer services during their off-work hours, we are also committed to making positive contributions to society during our operations to fulfil the Group's corporate social responsibility. During the Reporting Period, the Group's community investments focus on caring for the community and nurturing community culture. The Group's urban community platform — Desun Community Hub, has established over 150 communities in operation and organized a cumulative total of more than 1,500 events. Below are highlights of community activities held in 2025:

- In March 2025, the three-month-long “Youlin Football Cup” kicked off with great enthusiasm, featuring 18 teams and over 100 intense matches. The league attracted more than 1,000 participants.



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- Also in March, the “Spring Cultural Entertainment Gala” arrived as scheduled, with the theme “Passion Knows No Age,” encouraging everyone to cherish their passions and enjoy life.



- In May 2025, the “Youlin Basketball Cup” ignited a wave of excitement, with 22 basketball communities participating in more than 100 thrilling games. Thousands of attendees gathered on basketball courts to experience the dual charm of competition and camaraderie.



- In the same month, the “Youlin Table Tennis & Badminton Cup” commenced, with 36 communities actively participating. Over 50 matches hosted more than 800 participants, showcasing the spirit of effort and vitality among neighbors.



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- In July 2025, the “Second Youlin Carnival” kicked off with joy, attracting over 2,000 participants. Attendees spent a delightful time with the Olympic champion, fully enjoying the excitement and energy of “Waves of Summer.”



- In October 2025, the “Youlin E-sports Cup” heated up with numerous e-sports enthusiasts competing in fingertip battles in the virtual arena. The event successfully captivated the younger demographic, further enhancing the community's influence.



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CONTENT INDEX OF THE ESG REPORTING CODE OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section/Declaration	
Governance Structure	ESG GOVERNANCE STRUCTURE	
Reporting Principles	ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT — Reporting Framework	
Reporting Boundary	ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT — Reporting Scope	
Subject Areas, Aspects, General Disclosures and KPIs		
Description	Section/Declaration	
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Not applicable — explained
KPI A1.2	Repealed as of 1 January 2025.	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable — explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Targets; Emissions — GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Targets; Emissions — Waste Management

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Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in thousands) and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Targets; Use of Resources — Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Targets; Use of Resources — Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable — explained
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources — Transition to Green Building, Raising Environmental Awareness
Aspect A4: Climate Change		
General Disclosure	Repealed as of 1 January 2025.	
KPI A4.1	Repealed as of 1 January 2025.	

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Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full — or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment — Recruitment, Promotion, Remuneration and Dismissal
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety — Occupational Health and Safety

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Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training — Training Plan
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training — Training Plan
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards — Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards — Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management — Procurement Mechanism
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management — Supply Chain Environmental and Social Risk Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management — Procurement Mechanism

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Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable — explained
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Service Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility — Customer Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption — Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to Directors and staff.	Anti-corruption — Anti-corruption and Integrity

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Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment — Corporate Social Responsibility
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment — Corporate Social Responsibility

PART D : CLIMATE-RELATED DISCLOSURE

Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 19(a)	Information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	ESG GOVERNANCE STRUCTURE, Climate Change	—
Paragraph 19(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	ESG GOVERNANCE STRUCTURE, Climate Change	—
Paragraph 20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Climate Change	—

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Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Climate Change	—
Paragraph 22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making.	Climate Change	—
Paragraph 23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	—	This is the first year of disclosure under Part D, and there was no corresponding Part D plan in previous Reporting Periods.
Paragraph 24(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Climate Change	Financial effects relief: quantitative financial data are temporarily not disclosed, and the granularity of the financial impact assessment will be progressively enhanced when sufficient data and methodological foundations become available.
Paragraph 24(b)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Climate Change	N/A — explained.
Paragraph 25	Expected financial impacts (qualitative and quantitative)	Climate Change	Financial effects relief + capability relief: lacking the skills, capabilities or resources to provide quantitative data on expected financial impacts.

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Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.	Climate Change	Capabilities relief: climate resilience is assessed through qualitative scenario analysis rather than complex financial models, which is proportionate to the Group's current level of resource allocation.
Paragraph 27(a)	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks.	Climate Change	—
Paragraph 27(b)	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Climate Change	—
Paragraph 27(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate Change	—
Paragraph 28(a)	Scope 1 GHG emissions	GHG Emissions	—
Paragraph 28(b)	Scope 2 GHG emissions	GHG Emissions	—
Paragraph 28(c)	Scope 3 GHG emissions	GHG Emissions	—
Paragraph 29	GHG emission measurement methods.	GHG Emissions	—

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Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate Change	Financial effects relief: assessed qualitatively for now; quantitative information is not disclosed at this time.
Paragraph 31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate Change	Financial effects relief: assessed qualitatively for now; quantitative information is not disclosed at this time.
Paragraph 32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate Change	Financial effects relief: assessed qualitatively for now; quantitative information is not disclosed at this time.
Paragraph 33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate Change	Financial effects relief: the internal data collection framework has not yet been able to separate climate-related financial expenditures with sufficient precision, so no disclosure is made at this time.
Paragraph 34	Internal carbon pricing	Climate Change	N/A — explained.
Paragraph 35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	ESG Governance Structure	N/A — explained.
Paragraph 36	Industry-based metrics	Climate Change	N/A — explained.
Paragraph 37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	Environmental Targets, Climate Change	The data and targets have not yet been verified by a third party. They will be gradually improved in future reports.
Paragraph 38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	Environmental Targets	No revisions were made to the targets during the Reporting Period.



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Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Environmental Targets	—
Paragraph 40	Specific disclosure of GHG emission targets (including covered greenhouse gases, scope, gross/net emissions, decarbonization methods, carbon credits, etc.).	Environmental Targets	Decarbonization methods or plans to use carbon credits are not applicable — explained.

REPORT OF THE DIRECTORS

The Board is pleased to present the annual report of the Company together with the audited consolidated financial statements for the Reporting Period.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 10 December 2020 as an exempted company with limited liability under the laws of the Cayman Islands. The Shares were listed on the Main Board of the Stock Exchange on 17 December 2021.

PRINCIPAL BUSINESS

Facing structural adjustments in the industry and an increasingly competitive environment, the Group adhered to a long-term perspective, focusing on urban assets and continuously strengthening its comprehensive asset management capabilities. This has resulted in the formation of three core product lines: commercial and residential communities, commercial industrial complexes, and digital economy industrial parks. Through deep engagement in the existing property market, expansion of service scenarios, and focus on core operations, the Group has progressively developed a comprehensive service ecosystem covering the full lifecycle of assets. During the Reporting Period, the Group's business mainly included three segments: (i) property services segment: primarily comprising property management services and other value-added services as well as carpark space sales; (ii) asset operation services segment: primarily including office building sublease services, commercial operation services, commercial property management and other related services as well as e-commerce livestreaming services; and (iii) investment and development segment: primarily covering home decoration and refurbishment services.

RESULTS

The results of the Group for the Reporting Period are set out in the consolidated financial statements on pages 138 to 143 of this annual report.

TAX RELIEF AND EXEMPTION

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

FINAL DIVIDEND

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2025.

REPORT OF THE DIRECTORS

BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the Group's performance during the Reporting Period, using key financial performance indicators and the material factors underlying its results and financial position as well as the outlook of the Group's business are provided in the section headed "Management Discussion and Analysis" of this annual report. Description of the principal risks and uncertainties faced by the Group can be found in the section headed "Management Discussion and Analysis" of this annual report. The important events affecting the Company that have occurred since 31 December 2025 are set out in the section headed "Management Discussion and Analysis" of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

It is the Group's corporate and social responsibility to promote a sustainable and eco-friendly environment. In this respect, the Group strives to minimize the Group's environmental impact by reducing its carbon footprint and to build our corporation in a sustainable way.

During the Reporting Period, the Group had complied with various environmental protection laws and regulations. For more details on the Group's work in respect of environmental protection, society and governance during the Reporting Period, please refer to "Environmental, Social and Governance Report" of this annual report.

DONATION

During the Reporting Period, no donations were made by the Group.

LEGAL PROCEEDINGS AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group may from time to time become a party to various legal proceedings arising in the ordinary course of business. The Directors confirm that, during the Reporting Period and up to the date of this annual report, the Group was not involved in any litigation, arbitration or administrative proceeding against it or any of the Directors that could have a material and adverse effect on the Group's business, financial conditions or results of operations. Furthermore, to the knowledge of the Directors, there is no pending or foreseeable litigation, arbitration or administrative proceeding against the Group or any of the Directors that could cause a material and adverse effect on the Group's business, financial conditions or results of operations.

During the Reporting Period, the Group had complied with the laws in all material respects, including the requirements under the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Listing Rules and SFO.

FINANCIAL SUMMARY

A summary of the Company's results, assets and liabilities for the last five financial years are set out on pages 230 to 231 of this annual report. This summary does not form part of the audited consolidated financial statements.

REPORT OF THE DIRECTORS

RELATIONSHIP WITH STAKEHOLDERS

Employees

The Group had approximately 1,333 employees as at 31 December 2025, as compared to 1,235 employees as at 31 December 2024. Substantially all of the Group's employees are based in the PRC.

The Group believes that the Directors, senior management and employees of the Group are instrumental to the success of the Group and that their industry knowledge and understanding of the market will enable the Group to maintain the competitiveness in the market. The Group provides various systematic and extensive training programmes to its employees. The employee training programmes of the Group primarily cover key areas in the Group's business operations, which provide continuous training to the Group's existing employees at different levels to specialise and strengthen their skill sets.

As required by PRC laws and regulations, the Group participates in various government statutory employee benefit plans, including social insurance funds, namely a pension contribution plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan, a maternity insurance plan, and a housing provident fund. The Group is required under the PRC laws to contribute to employee benefit plans at specified percentages of the payroll of the employees.

The Group enters into employment contracts with its employees covering matters such as position, term of employment, wages, employee benefits, liability for breach of contract, and grounds for termination.

Customers

The Group's customers are mainly property owners, property developers and tenants. For the Reporting Period, the Group's largest customer, Desun Group, accounted for approximately 8.35% of the Group's total revenue. The Group's five largest customers accounted for approximately 12.16% of the Group's total revenue.

So far as the Directors are aware, save for Desun Group, none of the Directors or chief executives of the Company or its subsidiaries, their respective associates or any Shareholders holding more than 5% of the number of issued Shares, excluding treasury shares (if any), had any interests in any of the five largest customers of the Group during the Reporting Period.

Suppliers

The Group's suppliers are mainly sub-contractors for the Group's property management services and utilities companies. For the Reporting Period, the Group's largest supplier accounted for approximately 4.09% of the Group's total cost of services. The Group's five largest suppliers accounted for approximately 12.73% of the Group's total cost of services.

So far as the Directors are aware, none of the Directors or chief executives of the Company or its subsidiaries, their respective associates or any Shareholders holding more than 5% of the issued Shares, excluding treasury shares (if any), had any interests in any of the five largest suppliers of the Group during the Reporting Period.

REPORT OF THE DIRECTORS



SHARE CAPITAL

Details of the share capital of the Company during the Reporting Period are set out in note 30 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out on page 141 in the consolidated statement of changes in equity in this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserve available for distribution to Shareholders amounted to approximately RMB123.2 million.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the Reporting Period are set out in note 15 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report and based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

REPORT OF THE DIRECTORS

DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management of the Company during the Reporting Period and up to the date of this annual report are set out below:

Name	Position in the Company
Directors	
Mr. Zou Kang	Non-executive Director
Mr. Zhang Zhicheng	Chairman, executive Director and chief executive officer of the Company
Ms. Wan Hong	Executive Director and joint company secretary
Mr. Liu Jun	Executive Director, vice president of Chengdu Desun, executive director of Zhongneng and general manager of Chengdu Jinjie and Chengdu Baiyuejiacheng
Mr. Shao Jiazhen	Executive Director, vice president of Chengdu Desun and manager of Chengdu Baiyuejiacheng
Ms. Zhu Na	Executive Director
Mr. Fang Liqiang	Independent non-executive Director
Mr. Chen Di	Independent non-executive Director
Mr. Yan Hong	Independent non-executive Director
Senior management	
Ms. Zhang Jie	Chief financial officer

To the best of the Directors' knowledge, information and belief, save as disclosed in this annual report, the Directors and senior management do not have any relationship amongst them.

Pursuant to Articles 108 and 112 of the Articles of Association, Mr. Liu Jun, Mr. Shao Jiazhen and Mr. Fang Liqiang will retire by rotation and, being eligible, offer themselves for re-election as Directors at the annual general meeting of the Company.

Biographical details of the Directors and senior management are set out on pages 33 to 38 of this annual report.

REPORT OF THE DIRECTORS

SERVICE AGREEMENTS OF DIRECTORS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years, which may be terminated by not less than one month's notice in writing served by either the executive Director or the Company.

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years, which may be terminated by not less than one month's notice in writing served by the non-executive Director and independent non-executive Director or the Company.

The appointment of Directors is subject to the provisions of retirement and rotation of Directors under the Articles of Association.

None of the Directors has or is proposed to have a service agreement which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to the factors as set out in Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent and remain so as of the date of this annual report.

The Board has established mechanisms to ensure independent views and input from any Director of the Company are conveyed to the Board for enhancing an objective and effective decision making. The governance framework and the following mechanisms are reviewed annually by the Board, through its Nomination Committee and Remuneration Committee, to ensure their effectiveness:

1. three out of the nine Directors are independent non-executive Directors, which meets the requirements of the Listing Rules that the Board must have at least three independent non-executive Directors and must appoint independent non-executive Directors representing at least one-third of the Board.
2. the Nomination Committee and Remuneration Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new independent non-executive Director before appointment and also the continued independence of existing independent non-executive Directors and their time commitments annually. On an annual basis, all independent non-executive Directors are required to confirm in writing their compliance with the independence requirements pursuant to Rule 3.13 of the Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments.
3. the Nomination Committee and Remuneration Committee will conduct the performance evaluation of the independent non-executive Directors annually to assess their contributions.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and the 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) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares and underlying Shares of the Company

Name of Director	Capacity/Nature of Interest	Total number of Shares/ underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company(%) ⁽¹⁾
Mr. Zou Kang	Interest in controlled corporation; interest held jointly with another person ^{(2)&(3)}	412,415,000 (L)	66.49%
Mr. Zhang Zhicheng	Interest in controlled corporation ⁽⁴⁾	22,500,000 (L)	3.63%
Ms. Wan Hong	Beneficial owner; beneficiary of a trust ⁽⁵⁾	3,540,037 (L)	0.57%
Mr. Shao Jiazhen	Beneficial owner; beneficiary of a trust ⁽⁶⁾	6,128,155 (L)	0.99%
Mr. Liu Jun	Beneficial owner; beneficiary of a trust ⁽⁷⁾	6,128,155 (L)	0.99%
Ms. Zhu Na	Beneficiary of a trust ⁽⁸⁾	7,440,000 (L)	1.20%

- (1) As at 31 December 2025, the Company had issued 620,259,200 Shares in total. The letter "L" denotes the person's long position in the Shares.
- (2) On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into a concert parties confirmatory deed (the "**Concert Parties Confirmatory Deed**"), pursuant to which they reaffirmed that they had been acting in concert as Shareholders of our Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. For further details, please refer to the paragraph headed "History, Reorganisation and Corporate Structure – Acting-in-concert arrangement" in the Prospectus. As such, pursuant to the acting-in-concert arrangement, as at 31 December 2025, each of the Controlling Shareholders, i.e. Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 66.49% of the issued share capital of the Company.
- (3) These 412,415,000 Shares in which Mr. Zou Kang is interested consist of (i) 395,135,000 Shares held by Sky Donna, a company wholly-owned by Mr. Zou Kang, in which Mr. Zou Kang is deemed to be interested under the SFO; and (ii) 17,280,000 Shares in which Mr. Zou Kang is deemed to be interested as a result of being a party acting-in-concert with Ms. Zou Jian pursuant to the Concert Parties Confirmatory Deed.
- (4) These 22,500,000 Shares are held by Zhiyu Holding Limited, the issued shares of which are wholly owned by Mr. Zhang Zhicheng. Under the SFO, Mr. Zhang Zhicheng will be taken to be interested in the Shares held by Zhiyu Holding Limited.

REPORT OF THE DIRECTORS

- (5) Ms. Wan Hong is interested in 3,540,037 Shares, including 2,051,415 Shares she held and 1,488,622 awarded Shares she was granted which are subject to a vesting period of three years from the date of grant.
- (6) Mr. Shao Jiazhen is interested in 6,128,155 Shares, including 3,895,222 Shares he held and 2,232,933 awarded Shares he was granted which are subject to a vesting period of three years from the date of grant.
- (7) Mr. Liu Jun is interested in 6,128,155 Shares, including 3,895,222 Shares he held and 2,232,933 awarded Shares he was granted which are subject to a vesting period of three years from the date of grant.
- (8) Ms. Zhu Na is interested in 7,440,000 Shares, including 7,440,000 awarded Shares granted to her which are subject to a vesting period of three years from the date of grant.

Interests in Shares and underlying Shares of the Company's associated corporations

Name of Director	Capacity/ Nature of Interest	Associated corporation	Total number of shares/ underlying shares held^(Note)	Approximate percentage of interest in the associated corporation as at 31 December 2025 (%)
Mr. Zou Kang	Beneficial owner	Sky Donna	1 (L)	100%

Note: The letter "L" denotes the person's long position in the share(s) of the associated corporation.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executives of the Company had or was deemed to have any interest or short position 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) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, to the best knowledge of the Directors or chief executives of the Company, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Total number of Shares/ underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company (%) ⁽¹⁾
Sky Donna	Beneficial owner; interest held jointly with another person ^{(2)&(3)}	412,415,000 (L)	66.49%
Ms. Zou Jian	Interest of corporation controlled by the person; interest held jointly with another person ⁽⁴⁾	412,415,000 (L)	66.49%
Pengna Holding	Beneficial owner; interest held jointly with another person ⁽⁴⁾	412,415,000 (L)	66.49%

Notes:

- (1) As at 31 December 2025, the Company had issued 620,259,200 Shares in total. The letter "L" denotes the person's long position in the Shares.
- (2) On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into the Concert Parties Confirmatory Deed, pursuant to which they reaffirmed that they had been acting in concert as Shareholders of our Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. For further details, please refer to the paragraph headed "History, Reorganisation and Corporate Structure – Acting-in-concert arrangement" in the Prospectus. As such, pursuant to the acting-in-concert arrangement, as at 31 December 2025, each of the Controlling Shareholders, i.e. Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 66.49% of the issued share capital of the Company.
- (3) These 412,415,000 Shares in which Sky Donna (a company wholly-owned by Mr. Zou Kang) is interested consist of (i) 395,135,000 Shares held by Sky Donna; and (ii) 17,280,000 Shares in which Sky Donna is deemed to be interested as a result of the Concert Parties Confirmatory Deed entered into between Mr. Zou Kang and Ms. Zou Jian.
- (4) These 412,415,000 Shares in which Ms. Zou Jian is interested consist of (i) 17,280,000 Shares held by Pengna Holding, a company wholly-owned by Ms. Zou Jian, in which Ms. Zou Jian is deemed to be interested under the SFO; and (ii) 395,135,000 Shares of Sky Donna in which Ms. Zou Jian is deemed to be interested as a result of being a party acting-in-concert with Mr. Zou Kang pursuant to the Concert Parties Confirmatory Deed.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any other persons (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

ISSUANCE OF DEBENTURES

During the Reporting Period, no issuance of debentures was made by the Company.

DEED OF NON-COMPETITION

The Controlling Shareholders, being Mr. Zou Kang, Sky Donna, Ms. Zou Jian and Pengna Holding, entered into the Deed of Non-Competition in favour of the Company, pursuant to which they have irrevocably and unconditionally given certain non-competition undertakings to the Company. Details of the Deed of Non-Competition are set out in the section headed "Relationship with Controlling Shareholders" in the Prospectus.

The Company and the independent non-executive Directors had received an annual written confirmation from each of the Controlling Shareholders that they have not breached the terms of the Deed of Non-competition during the Reporting Period. The independent non-executive Directors had also carried out an annual review of compliance with the Deed of Non-competition and were satisfied that the Controlling Shareholders had duly complied with the Deed of Non-competition during the Reporting Period.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

To the knowledge of the Board, none of the Directors, their associates or the Controlling Shareholders had any interests in any business which competes or is likely to compete, directly or indirectly, with the businesses of the Group for the Reporting Period.

CHANGES TO INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT

After making specific enquiries by the Company and confirmed by the Directors and chief executive, no changes in the information of any Directors and chief executive that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules have to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REPORT OF THE DIRECTORS

CONNECTED TRANSACTIONS

References are made to the announcement dated 26 December 2023 and the circular dated 31 January 2024 of the Company in relation to the entering into the Debts Settlement Agreements between Chengdu Desun and certain debtors, pursuant to which Chengdu Desun agreed to acquire and the Vendors agreed to sell a total of 1,512 parking spaces at an aggregate consideration of RMB51,640,000 which shall be offset against the receivables due from the debtors to Chengdu Desun on a dollar-for-dollar basis. On 20 February 2024, the Company held an extraordinary general meeting, at which independent Shareholders approved the terms of the relevant Debts Settlement Agreements and the transactions contemplated thereunder.

Reference is made to the announcement of the Company dated 2 September 2024. On 2 September 2024, Chengdu Desun entered into certain termination agreements with certain debtors and the parking space vendors, pursuant to which, Chengdu Desun agreed to return 485 parking spaces (the “**Returned Parking Spaces**”) purchased in accordance with the debts settlement agreements to relevant parking space vendors and the relevant debtors agreed to make a payment in an aggregate amount of RMB15.46 million to Chengdu Desun. As of the end of September 2024, the return of these 485 parking spaces has been completed.

On 21 October 2025, Chengdu Desun, a wholly-owned subsidiary of the Company, entered into the termination agreements with the relevant debtors and the parking space vendors, pursuant to which, Chengdu Desun agreed to return 652 parking spaces purchased in accordance with the Debts Settlement Agreements to the parking space vendors and the relevant debtors agreed to make a payment in an aggregate amount of RMB22.52 million to Chengdu Desun.

The parties to the respective termination agreements confirm that the Debts Settlement Agreements corresponding to the termination agreements will be terminated without further performance from the execution date of the termination agreements. Chengdu Desun will return an aggregate of 652 parking spaces to the parking space vendors, and the relevant debtors shall make a payment of RMB22.52 million to Chengdu Desun by 30 October 2025, that is, (i) 296 parking spaces at RMB40,000 per parking space to be returned by Chengdu Desun pursuant to the termination agreement I and termination agreement II; and (ii) 356 parking spaces at RMB30,000 per parking space to be returned by Chengdu Desun pursuant to the termination agreement III, the termination agreement IV and the termination agreement V. Such considerations were determined with reference to the carrying amount of the relevant parking spaces on 30 September 2025. The aggregate cost of such 652 parking spaces purchased by Chengdu Desun amounts to RMB22.52 million. The carrying amount of such 652 parking spaces as at 30 September 2025 amounted to RMB22.52 million. Excluding the Returned Parking Spaces that have not been leased, the total rental income generated by the parking spaces under the Debts Settlement Agreements that have been leased for the year 2024 amounted to approximately RMB870,000. Upon completion of the Termination Agreements, the Group no longer holds any parking spaces transferred to the Group pursuant to the Debts Settlement Agreements, all such parking spaces have been returned, or sold to third parties. Chengdu Desun agrees to return all of such 652 parking spaces in current condition to the Parking Space Vendors upon receipt of the full payments from the Relevant Debtors. If the Parking Space Vendors have entered into any property purchase contract with Chengdu Desun and have recorded the online signature and online registration for the parking spaces, Chengdu Desun agrees to cooperate with the Parking Space Vendors in entering into a termination agreement for the property purchase contract and assist in completing the necessary procedures to cancel the online signature and online registration.

REPORT OF THE DIRECTORS

Pursuant to the Debts Settlement Agreements corresponding to the termination agreements, the parking space vendors shall transfer a total of 960 parking spaces to Chengdu Desun to offset against the receivables due from the relevant debtors to Chengdu Desun. As at 21 October 2025, a total of 308 parking spaces have been sold by Chengdu Desun, with a total of 652 parking spaces remaining held by the Group. The return of such parking spaces to the parking space vendors, with the relevant debtors repaying the debts in cash will not only enhance the Group's cash flow, but also expedite the sale of parking spaces and reduce sales costs. The Directors (including the independent non-executive Directors) consider that, although the Termination Agreements and the transactions contemplated thereunder are not made in the ordinary and usual course of business of the Group, the terms thereof are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

Mr. Zou Kang is a controlling shareholder and the non-executive Director and is therefore a connected person of the Company. The relevant debtors under the respective termination agreements are ultimately controlled by Mr. Zou Kang, and hence are all connected persons of the Company. The termination agreements and the transactions contemplated thereunder constitute the connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the termination agreements and the transactions contemplated thereunder exceeds 0.1% but is less than 5%, the termination agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including advice of independent financial adviser) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Please refer to the announcement of the Company dated 21 October 2025 for details.

CONTINUING CONNECTED TRANSACTIONS

For the Reporting Period, the Group has the following non-exempt continuing connected transactions pursuant to Chapter 14A of the Listing Rules.

Property Services Framework Agreement

On 7 December 2023, the Company entered into a New Property Services Framework Agreement (“**New Property Services Framework Agreement**”) with Mr. Zou Kang and Ms. Zou Jian (the Ultimate Controlling Shareholders of the Company who are connected persons of the Company), pursuant to which the Company agreed to provide a range of property management services and other value-added services to the Ultimate Controlling Shareholders' Associated Companies for a term of three years, commencing from 1 January 2024 and up to 31 December 2026. The proposed annual caps of the transactions contemplated under the New Property Services Framework Agreement for the three years ending 31 December 2024, 2025 and 2026 are RMB70 million, RMB70 million and RMB70 million, respectively. The prices/rates of the provision of services charged by the Group shall be determined on the basis of arm's length negotiations between the relevant parties or through public tender process (as the case may be). For details of the pricing basis for the different services, under the New Property Services Framework Agreement, please refer to the announcement dated 7 December 2023 of the Company and the circular dated 4 January 2024 of the Company. On 23 January 2024, the Company held an extraordinary general meeting, in which the independent Shareholders approved the terms of the New Property Services Framework Agreement (including the annual caps under the New Property Services Framework Agreement) and the transactions contemplated thereunder. For further details, please refer to the announcement of the Company dated 23 January 2024.

For the year ended 31 December 2025, the actual transaction amount under the New Property Services Framework Agreement amounted to RMB30.3 million.

REPORT OF THE DIRECTORS

New Entrusted Construction and Value-added Services Framework Agreement

On 31 October 2024, the Company entered into the New Entrusted Construction and Value-added Services Framework Agreement with Mr. Zou Kang and Ms. Zou Jian, the Ultimate Controlling Shareholders of the Company, to renew these continuing connected transactions, pursuant to which the Company agreed to provide the entrusted construction and related services and other value-added services to the Ultimate Controlling Shareholders' Associated Companies. The New Entrusted Construction and Value-added Services Framework Agreement will be valid for two years commencing from 1 January 2025 to 31 December 2026. The proposed annual caps of the fees payable by the Ultimate Controlling Shareholders' Associated Companies to the Group for the two years ending 31 December 2025 and 2026 were RMB50 million and RMB50 million, respectively. For details of the basis for pricing different services under the New Entrusted Construction and Value-added Services Framework Agreement, please refer to the announcement dated 31 October 2024 and the circular dated 29 November 2024 of the Company. On 29 December 2024, the Company held an extraordinary general meeting at which the independent Shareholders approved the terms of the New Entrusted Construction and Value-added Services Framework Agreement (including the annual caps under the New Entrusted Construction and Value-added Services Framework Agreement) and the transactions contemplated thereunder. For further details, please refer to the announcement of the Company dated 29 December 2024.

For the year ended 31 December 2025, the actual transaction amount under the New Entrusted Construction and Value-added Services Framework Agreement amounted to RMB10.4 million.

The Company has confirmed that the execution and implementation of the specific agreements under the continuing connected transactions set out above during the Reporting Period has followed the pricing policies of such continuing connected transactions. Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions carried out during the year and confirmed the transactions thereunder:

- (i) had been entered into in the ordinary and usual course of business of the Group;
- (ii) had been conducted on normal commercial terms or better; and
- (iii) according to the agreement governing them, on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company confirmed to the Board that:

- (i) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board.
- (ii) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the pricing policies of the Group and the relevant agreement governing such transactions.
- (iii) with respect to the aggregate amount of the continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

REPORT OF THE DIRECTORS

The Company confirmed that it complied with the disclosure requirements under Chapter 14A of the Listing Rules during the Reporting Period.

RELATED PARTY TRANSACTION

Details of the related party transactions of the Group for the Reporting Period are set out in note 34 to the consolidated financial statements in this annual report. None of these related party transactions constitutes a disclosable connected transaction as defined under the Listing Rules, except for the transactions described in the sections headed “Connected Transactions” and “Continuing Connected Transactions” in this Report of the Directors, in respect of which the disclosure requirements under Chapter 14A of the Listing Rules have been complied with.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save for the connected transaction as described in the paragraph headed “Connected Transactions” above and continuing connected transactions as described in the paragraph headed “Continuing Connected Transactions” above, no transaction, arrangement or contract of significance in relation to the Group’s business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which any Director or any entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year under review.

CONTRACT OF SIGNIFICANCE

Save for the connected transaction as described in the paragraph headed “Connected Transactions” above and the continuing connected transactions as described in the paragraph headed “Continuing Connected Transactions” above, no contract of significance (whether for the provision of services to the Group or not) in relation to the Group’s business to which the Company or any of its subsidiaries was a party and the Controlling Shareholder or any of its subsidiaries was the other party subsisted at the end of the financial year or at any time during the financial year under review.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period between the Company and a person other than a Director or any person engaged in the full-time employment of the Company.

DIRECTORS’ PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance cover for Directors’ and officers’ liabilities in respect of legal actions arising out of corporate activities against the Directors and officers of the Company and its associated companies during the Reporting Period.

Except for such insurances, at no time during the Reporting Period and up to the date of this annual report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors of the Company or associated companies.

REPORT OF THE DIRECTORS

STAFF, EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

The Company offers competitive remuneration packages to the Directors. The remuneration of Directors is determined with reference to their experience, qualifications, responsibilities involved in the Company and the prevailing market conditions.

The remuneration payable to our employees includes salaries and employee benefit plans contributions. The salaries of our employees are generally determined by the employees' respective position, qualification, experience and performance.

As required by PRC laws and regulations, the Group contributes on a monthly basis to various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in mainland China. The Group is required to contribute a certain proportion stipulated by the government of its payroll costs to the plan as stipulated by the governments. Contributions to the defined contribution plan by the Group for its employees are fully and immediately vested when the contributions are made and may not be reduced by contributions forfeited by employees who leave the schemes prior to vesting fully in the contributions. Accordingly, during the year ended 31 December 2025, there were no forfeited contributions under the aforementioned defined contribution retirement benefit plans which may be used by the Group to reduce the contribution payable.

The Group provides various systematic and extensive training programmes to its employees. The Group's employee training programmes primarily cover key areas in the Group's business operations, which provide continuous training to the Group's existing employees at different levels to specialise and strengthen their skill sets.

The Remuneration Committee was set up for reviewing the Group's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

During the Reporting Period, no Directors waived their remuneration.

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on 27 April 2021. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Option Scheme will not involve the grant of options by the Company to subscribe for Shares after the Listing. For details of the terms of the Pre-IPO Share Option Scheme, please refer to Appendix V in the Prospectus.

(a) Purpose

The purpose of the Pre-IPO Share Option Scheme is to further improve the corporate governance structure of the Company, promote the establishment and improvement of the incentive and constraints mechanism, fully mobilize the initiative, responsibility and sense of mission of the staff of the Company, effectively align the interests of Shareholders, the Company and the management staff, and attract common attention and joint efforts to the long-term development of the Company.

REPORT OF THE DIRECTORS

(b) Who may join

Mr. Zhou Youbo, Mr. Liu Jun, Mr. Shao Jiazhen, Ms. Xiong Jianqiu and Ms. Wan Hong (the “**Eligible Persons**”), being the directors and/or senior management of the members of the Group, shall be eligible to take part in the Pre-IPO Share Option Scheme.

(c) Maximum number of Shares and its actual grant

The overall limit on the number of Shares which may be issued upon exercise of all outstanding pre-IPO share options (the “**Pre-IPO Share Options**”) granted and yet to be exercised under the Pre-IPO Share Option Scheme at any time shall not exceed 19,253,000 Shares, representing approximately 3.21% of the total issued Shares immediately following the Capitalisation Issue and completion of the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or the Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme) (the “**Scheme Limit**”) and approximately 3.10% of the total issued Shares as at 31 December 2025.

Pre-IPO Share Options to subscribe for an aggregate of 19,253,000 Shares were conditionally granted to 5 participants (the “**2021 Grantees**”) on 27 April 2021 (the “**2021 Grant**”). On 2 March 2022, immediately following the resignation of Mr. Zhou Youbo (being one of the 2021 Grantees) as the Chief Executive Officer, all the Pre-IPO Share Options (equivalent to 7,701,000 underlying Shares) granted to him lapsed. On 27 July 2022, 1,203,300 Shares, 1,203,300 Shares, 529,500 Shares and 529,500 Shares were issued to Mr. Liu Jun, Mr. Shao Jiazhen, Ms. Xiong Jianqiu and Ms. Wan Hong, respectively, upon their exercise of the Pre-IPO Share Options under the Pre-IPO Share Option Scheme. On 14 June 2023, 1,203,300 Shares, 1,203,300 Shares, 529,500 Shares and 529,500 Shares were issued to Mr. Liu Jun, Mr. Shao Jiazhen, Ms. Xiong Jianqiu and Ms. Wan Hong, respectively, upon their exercise of the Pre-IPO Share Options under the Pre-IPO Share Option Scheme.

No further Pre-IPO Share Options may be granted under the Pre-IPO Share Option Scheme, therefore no options could be granted under the Pre-IPO Share Option Scheme Mandate as at 1 January 2025 and 31 December 2025.

Under the Pre-IPO Share Option Scheme, the right to exercise a Pre-IPO Share Option (to the extent not already exercised) shall terminate immediately upon the earliest of, amongst other events, the expiry of the vesting period under the Pre-IPO Share Option Scheme. The Pre-IPO Share Options are vested in each Grantee in 5 tranches: (i) 30% on or after the Listing Date; (ii) 30% on or after the first anniversary date of the Listing Date; (iii) 20% on or after the second anniversary date of the Listing Date (the “**Third Tranche**”); (iv) 10% on or after the third anniversary date of the Listing Date; and (v) 10% on or after the fourth anniversary date of the Listing Date. Based on the assessment results, the 2021 Grantees did not fulfill the performance target of the Third Tranche. Accordingly, a total of 2,310,400 Pre-IPO Share Options of the 2021 Grant lapsed on 17 December 2023. Please refer to the announcement of the Company dated 22 December 2023 for details.

Under the Pre-IPO Share Option Scheme, there is no specific limit on the maximum number of options which may be granted to a single Eligible Person.

REPORT OF THE DIRECTORS

- (d) Subject to the provisions for early termination contained in the Pre-IPO Share Option Scheme and conditional upon the fulfillment of certain performance targets by the Eligible Persons, the Pre-IPO Share Option(s) granted to the Grantee (being the Eligible Person who accepts the offer of Pre-IPO Share Options) under the Pre-IPO Share Option Scheme shall become exercisable in accordance with the time as indicated below:

Vesting Date	Maximum percentage of the underlying Shares in respect of the Pre-IPO Share Options that may be vested (the “Exercise Limit”)
On or after the Listing Date	30%
On or after the first anniversary date of the Listing Date	30%
On or after the second anniversary date of the Listing Date	20%
On or after the third anniversary date of the Listing Date	10%
On or after the fourth anniversary date of the Listing Date	10%

The actual number of Pre-IPO Share Options that each Grantee can exercise is however linked to the performance evaluation results of the Grantee in the previous year. The limit of the actual number of Pre-IPO Share Options for exercise in the current year = the Percentage of exercise by the relevant Grantee (as detailed below) × the Exercise Limit of the relevant Grantee in the current year, as detailed below:

Assessment result (S)	S ≥ 80	80 > S ≥ 65	S < 60
Individual year-end Performance Excellent (A) Good (B) Moderate (C) Percentage of exercise by individual Grantee	Excellent (A) 1.0	Good (B) 0.8	Moderate (C) 0

The performance is assessed based on the criteria set out in the “Implementation, Assessment and Management Measures Regarding the Pre-IPO Share Option Scheme (公开发售前购股权计划实施考核管理办法)” adopted by the Company. Such part of the Pre-IPO Share Options that are not exercised in a given year would be cancelled by the Company.

All the Pre-IPO Share Options granted to the Grantees under the Pre-IPO Share Option Scheme that are entitled to be exercised by the Grantees but not being exercised prior to the sixth anniversary date of the Listing Date shall lapse and be deemed as cancelled and void.

- (e) **Subscription price for options**

A nominal consideration of HK\$1.00 is payable by a Grantee upon acceptance of the grant of the Pre-IPO Share Option.

REPORT OF THE DIRECTORS

(f) Exercise of option

A Pre-IPO Share Option may be exercised in accordance with the terms of the Pre-IPO Share Option Scheme and the relevant offer letter at any time during a period to be determined and notified by our Directors to each Grantee, which period may be made in accordance with the vesting period above subject to the provisions for early termination under the Pre-IPO Share Option Scheme. The exercise price for each of the Pre-IPO Share Options is HK\$0.42 per Share.

(g) Cancellation of options granted

The Board may cancel an option granted but not exercised with the approval of the Grantee of such Pre-IPO Share Option. No options may be granted to an Eligible Person in place of the cancelled options unless there are available unissued options (excluding the cancelled options) within the limit as mentioned in sub-paragraph (c) above.

(h) Lapse of an option

The right to exercise a Pre-IPO Share Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (i) the expiry of the vesting period as set out in sub-paragraph (d) above;
- (ii) the expiry of the periods or dates referred to in sub-paragraphs (j), (k) or (l);
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph (m);
- (iv) subject to the compromise or arrangement referred to in sub-paragraph (n);
- (v) the date on which the Grantee ceases to be a director and/or employee of the Group by reason of resignation, summary dismissal for misconduct or other breach of the terms of his employment or other contract, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty;
- (vi) the date of the commencement of the winding-up of our Company;
- (vii) the date on which the Grantee commits a breach of the terms regarding the exercise of options under the Pre-IPO Share Option Scheme; or
- (viii) the date on which the Pre-IPO Share Option is cancelled by the Board.

REPORT OF THE DIRECTORS

(i) Term of the Pre-IPO Share Option Scheme

No further Pre-IPO Share Options will be granted after the latest practicable date (i.e. 22 November 2021) but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Pre-IPO Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme, and Pre-IPO Share Options which are granted on or before the latest practicable date (i.e. 22 November 2021) may continue to be exercisable in accordance with their terms of issue.

(j) Others

The exercise of the Pre-IPO Share Options is conditional on (i) the Listing Committee granting approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Pre-IPO Share Option granted under the Pre-IPO Share Option Scheme; (ii) the commencement of dealings in the Shares on the Stock Exchange; and (iii) the fulfilment of the conditions set out in sub-paragraph (d) above. Application has been made to the Listing Committee for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any Pre-IPO Share Options.

The rights of the Grantee in respect of a Pre-IPO Share Option referred to in sub-paragraphs (j) to (o) above are subject to the terms and conditions under which the Pre-IPO Share Option was granted.

Any material alterations to the terms and conditions of the Pre-IPO Share Option Scheme or any change to the terms of the Pre-IPO Share Option granted (except changes made to the terms and conditions of the Pre-IPO Share Options granted at the request of the Stock Exchange and/or other regulatory authorities) must be approved by our Shareholders in a general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Pre-IPO Share Option Scheme.

Any change to the authority of our Directors or the scheme administrators in relation to any alteration to the terms of the Pre-IPO Share Option Scheme shall be approved by our Shareholders in a general meeting.

For more information on the Pre-IPO Share Option Scheme, please refer to the paragraph headed “Appendix IV – Statutory and General Information – D. Pre-IPO Share Option Scheme” in the Prospectus.

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Subject to the termination provisions in the Pre-IPO Share Option Scheme, no further Pre-IPO Share Options will be granted after 22 November 2021 but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Pre-IPO Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme, and Pre-IPO Share Options which are granted on or before 22 November 2021 may continue to be exercisable in accordance with their terms of issue.

Under the Pre-IPO Share Option Scheme, the Board may cancel a Pre-IPO Share Option granted but not exercised with the approval of the Grantee of such Pre-IPO Share Option. Since the Board has adopted the Share Award Scheme, and with the consent of the relevant 2021 Grantees, on 22 December 2023, the Board (including the independent non-executive Directors) approved and resolved to cancel a total of 2,310,400 Pre-IPO Share Options of the 2021 Grant with effect from 22 December 2023 in accordance with the Pre-IPO Share Option Scheme. For further details, please refer to the announcement of the Company dated 22 December 2023. There were no options that could be granted under the scheme mandate and service provider sub-limit at the beginning and the end of the Reporting Period. During the Reporting Period, all options granted under the Pre-IPO Share Option Scheme had either vested or lapsed, and there were no unvested options.

SHARE AWARD SCHEME

On 22 December 2023, the Company adopted the share award scheme. The scheme will purchase the existing Shares through the trustee on the Stock Exchange, or the trustee may accept Shares transferred, gifted, assigned, or conveyed to the trust from any significant Shareholder or any party designated by the Company from time to time. On 20 May 2024, the Board resolved to adopt the amended and restated scheme rules to amend the share award scheme. On 14 July 2025, the Board meeting resolved to adopt the second amended and restated scheme rules to further amend the scheme.

The share award scheme was contemplated and adopted to be funded solely by the existing Shares and will not involve the issue of new Shares. The share award scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the share award scheme will not be subject to Shareholders' approval. The principal terms of the scheme rules of the share award scheme (the "**Scheme Rules**") are set out below:

(a) Purposes and objectives:

The purposes of the share award scheme are to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group.

(b) Duration:

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the scheme shall be valid and effective for a term of 10 years commencing on the adoption date, after which no further awards will be granted. As at the date of this report, the remaining validity period of the share award scheme is seven years and eight months.

REPORT OF THE DIRECTORS

(c) Eligible Participants and Administration:

Eligible Participant(s) under this share award scheme refers to any individual or corporation being an employee participant, related entity participant or service provider. Employee participant refers to directors and employees (including full-time employees and part-time employees) of the Company or any of its Subsidiaries (including persons who are granted awards under the Scheme as an inducement to enter into employment contracts with these companies). Related entity participant refers to directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company. Service provider refers to any person (natural person or corporate entity) who provides services to the Company and/or its Subsidiaries on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Company and/or its associated companies. For the avoidance of doubt, service provider(s) shall not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

The scheme is subject to the administration of the Board in accordance with the Scheme Rules and, where applicable, the trust deed. Without prejudice to the Board's general power of administration and to the extent permissible under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the Board under the Scheme Rules and, where applicable, the trust deed, or the Board or the committee of the Board or person(s) to which the Board has delegated its authority may from time to time appoint one or more administrators or trustees to discharge the function relating to, among other things, the administration of the scheme.

(d) Operation of the scheme:

The Board may, from time to time, at its sole and absolute discretion select any eligible participant (other than any excluded participant) for participation in the share award scheme as a selected participant, and grant an award to any selected participant at such consideration (if any) subject to such terms and conditions as the Board may in its sole and absolute discretion determine. More than one trust, namely (a) Trust (Core Connected Persons) (as defined in the Listing Rules) and (b) Trust (Non-Core Connected Persons) (as defined in the Listing Rules), have been or will be established for different groups of Eligible Participants under the Scheme. To that end, the Board shall have the power to allocate the trusts to such different groups of Eligible Participants as the Board shall determine.

The vesting period and vesting schedule shall be subject to the discretion of the Board.

The amount, if any, payable on the acceptance of the award and the period within which payments must or may be made and the purchase price of each awarded share shall be determined by the Board at the time of grant of the share awards under the Share Award Scheme taking into account the selected participant's position, experience and performance and contribution to the Group.

REPORT OF THE DIRECTORS

Subject to prior written direction and/or consent of the Board, the trustee may accept Shares transferred, gifted, assigned, or conveyed to the trust from any significant Shareholder or any party designated by the Company from time to time in such number as such significant Shareholder or such party designated by the Company may at their sole and absolute discretion determine, which shall constitute part of the trust fund.

Subject to the Scheme Rules, the Board may from time to time instruct the trustee in writing to purchase Shares on the Stock Exchange or accept and receive a specified number of Shares from any significant Shareholder or any party designated by the Company.

(e) Vesting and lapse:

Subject to the terms and conditions of the scheme and the fulfillment of all vesting conditions applicable to the vesting of the awarded interests on such selected participant, the respective awarded interests held by the trustee on behalf of the selected participant pursuant to the provision thereof shall vest in such selected participant in accordance with the applicable vesting schedule, and the trustee shall cause the awarded interests to be transferred to such selected participant and/or a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the selected participant and any family members of such selected participant in accordance with the Scheme Rules.

If any of the Trusts holds any Shares for the Scheme that have not been vested in any Selected Participants in accordance with the Amended and Restated Scheme Rules, including without limitation any Shares underlying any Award to the extent they are not vested (the “**Unvested Shares**”), the Board may in its sole and absolute discretion, where it considers appropriate and in the interests of the Company, determine in writing to transfer any such Unvested Shares from such trust (the “**Transferor Trust**”) to any other trust established by the Company under the Scheme. To that end, the Board may instruct in writing the trustee of the Transferor Trust to transfer the Unvested Shares to the trustee of such other trust (or an underlying holding company of such other trust, the “**Transferee Trust**”), and upon such transfer, the relevant Unvested Shares shall cease to be part of the trust fund of the Transferor Trust and become part of the trust fund of the Transferee Trust. With respect to any Awards which are purported to be satisfied by any Unvested Shares that have been transferred out of the Transferor Trust, the vesting of such Awards shall be satisfied by the transferred Unvested Shares under the Transferee Trust.

In respect of the grant of Awarded Shares to the Selected Participants under the Scheme, for a Selected Participant who is a core connected person (as defined under the Listing Rules) of the Company, the Shares under the Trust (Core Connected Persons) shall be used to satisfy such grant of Awards. For a Selected Participant who is not a core connected person (as defined under the Listing Rules) of the Company, the Shares under the Trust (Non-Core Connected Persons) shall be used to satisfy such grant of Awards.

In the event that prior to or on the vesting date, a selected participant is found to be an excluded participant or is deemed to cease to be an eligible participant pursuant to the Scheme Rules, the relevant award made to such selected participant shall automatically lapse forthwith and the relevant awarded Shares shall not vest on the relevant vesting date but shall remain part of the trust fund.

REPORT OF THE DIRECTORS

Unless the Board determines otherwise in accordance with the Scheme Rules, the circumstances under which a person shall be treated as having ceased to be an eligible participant shall include, without limitation, the following:

- (i) where the employment of such person has been terminated, or notice of termination has been given, by the Company or any member of the Group for any circumstances under which the Company or any member of the Group may be entitled to immediately, summarily or without notice terminate the employment, engagement or appointment of such person in accordance with the terms of the relevant agreement, arrangement or applicable laws; or been summarily dismissed, or been given notice of such summary dismissal, by the Company or any member of the Group in so far as such selected participant is an employee; or has tendered his resignation; or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which his employer would be entitled to terminate his employment summarily;
- (ii) where such person is a service provider who has terminated its engagement with the Company or any member of the Group so that such person has ceased to provide services to the Company and/or its subsidiaries on a continuing or recurring basis in its ordinary and usual course of business;
- (iii) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (iv) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (v) where such person has been convicted of any criminal offence;
- (vi) where such person has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group; or
- (vii) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

REPORT OF THE DIRECTORS



(f) Scheme limit:

The Board shall not make any further award of awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the share award scheme exceeding twelve percent (12%) of the issued share capital of the Company as at the adoption date (i.e. 74,431,104 Shares, accounting for 12% of the issued share capital of the Company as at the date of this annual report). Within the Scheme Limit, Shares awarded by the Board to core connected persons (as defined under the Listing Rules) at all time shall not exceed four (4) per cent of the issued share capital of the Company as at the Adoption Date, and Shares awarded by the Board to non-core connected persons at all time shall not exceed eight (8) per cent of the issued share capital of the Company as at the Adoption Date. The Board shall not make any award of Awarded Shares such that the number of Shares that are in public hands will fall below that applicable to the Company pursuant to the Listing Rules and the applicable waiver(s) (if any) granted by the Stock Exchange.

As at the date of this annual report, the total number of Shares available for further awards under the Share Award Scheme (i.e. 5,585,444 Shares) represents 0.9% of the issued Shares of the Company as at the date of this annual report.

(g) Voting rights:

No instructions shall be given by a selected participant (including, without limitation, those in respect of voting rights) to the trustee in respect of the awarded Shares that have not been vested, and such other properties of the trust fund managed by the trustee. The trustee shall abstain from exercising, and shall procure underlying holding company to abstain from exercising, all voting rights attaching to any Shares held directly or indirectly by it under the trust (if any), including (without limitation) the Awarded Shares, any bonus shares and scrip dividends derived therefrom.

As the Share Award Scheme is funded by existing Shares only, the total number of Shares available for issue under the Share Award Scheme is 0.

REPORT OF THE DIRECTORS

Grant of Awarded Shares during the Reporting Period:

52,718,921 awarded Shares were granted under the share award scheme during the Reporting Period. Further details of the Scheme are set out in note 36 to the consolidated financial statements.

Details of the share awards granted to Directors, the five highest paid employees and other grantees of the Company are set out as follows:

Grant Date	Purchase Price	Number of award shares granted	Number of shares						Closing price of the shares before the grant date (HK\$)	
			Unvested at 1 January 2025	Granted during the year	Vested during the year ³	Cancelled during the year	Lapsed during the year	Unvested at 31 December 2025		
Executive Directors^{1,2}										
Mr. Liu Jun	22 December 2023	HK\$0.546	3,721,555	3,721,555	—	1,488,622	—	—	2,232,933	1.11
Mr. Shao Jiazhen	22 December 2023	HK\$0.546	3,721,555	3,721,555	—	1,488,622	—	—	2,232,933	1.11
Ms. Wan Hong	22 December 2023	HK\$0.546	2,481,037	2,481,037	—	992,415	—	—	1,488,622	1.11
Ms. Zhu Na	14 July 2025	HK\$0.598	7,440,000	—	7,440,000	—	—	—	7,440,000	1.60
Other Selected Employees (Excluding Executive Directors)										
	22 December 2023	HK\$0.546	6,202,592	6,202,592	—	2,481,038	—	—	3,721,554	1.11
	14 July 2025	HK\$0.598	11,940,000	—	11,940,000	—	—	—	11,940,000	1.60
	21 July 2025	HK\$0.782	33,338,921	—	33,338,921	—	—	—	33,338,921	1.59
Total			<u>68,845,660</u>	<u>16,126,739</u>	<u>52,718,921</u>	<u>6,450,697</u>	<u>—</u>	<u>—</u>	<u>62,394,963</u>	

Notes:

- Pursuant to the Scheme Rules, the grant of awarded Shares to each of the Directors (the “**Connected Grantees**”) has been approved by the independent non-executive Directors. Each of the Connected Grantees is a Director and is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the grant of awarded Shares to each of the Connected Grantees constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares will be allotted and issued upon vesting and settlement of such awarded Shares granted to the Connected Grantees. As the awarded Shares were granted to the Connected Grantees pursuant to their respective service contract with the Company and which form part of their respective remuneration package under his or her service contract, the grant of awarded Shares to each of the Connected Grantees is exempt from reporting, announcement and independent Shareholders’ approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.
- The five highest paid employees during the Reporting Period were Directors and four of these individuals (namely Mr. Liu Jun, Mr. Shao Jiazhen, Ms. Wan Hong and Ms. Zhu Na) were granted award shares, details of which are set out in the table above.
- Subject to the terms and conditions of the Scheme and the fulfilment of all vesting conditions applicable to the vesting of the award interests on such Grantee, the Awarded Shares will vest in the Grantees in three tranches: (i) 40% of which will be vested on or after the first anniversary date of the Grant Date; (ii) 30% of which will be vested on or after the second anniversary of the Grant Date; and (iii) 30% of which will be vested on or after the third anniversary of the Grant Date. The vesting of the awarded Shares is subject to the Grantee’s fulfillment of performance targets and performance appraisal related indicators (including Group-wise financial performance targets and personal appraisal targets) as set by the Board.

REPORT OF THE DIRECTORS



4. For details of the fair value of the award shares at the Grant Date and the accounting standards and policies adopted, please refer to note 4 and note 36 to the financial statements.
5. During the Reporting Period, no awarded shares were granted to related entity participant or service provider.
6. During the year ended 31 December 2025, the weighted average closing price of the shares immediately before the vesting of the awarded shares was HK\$1.07 per share.

EQUITY-LINKED AGREEMENTS

During the Reporting Period, save as disclosed in this annual report, the Company has not entered into any equity-linked agreement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined in the Listing Rules)). As at 31 December 2025, the Company did not hold any treasury shares (as defined in the Listing Rules).

Proceeds from the Listing

Our Company was listed on the Main Board of the Stock Exchange on 17 December 2021 and the over-allotment option was partially exercised on 6 January 2022. After deducting underwriting fees and commissions and relevant expenses, net proceeds from the Listing amounted to approximately HKD176.1 million (the "**Net Proceeds**").

On 30 August 2023, the Board has resolved to (i) change the intended use of Net Proceeds for "strategic investments and acquisitions to expand the Group's property management and commercial operational businesses" to "strategic investments and acquisitions to expand the Group's property management and commercial operational businesses, office building and industrial park operation and management and home furnishing and decoration services"; and (ii) revise the intended timetable for use of the unutilized Net Proceeds (the "**First Change in Use of Net Proceeds**"). For further details, please refer to the announcement of the Company dated 30 August 2023.

REPORT OF THE DIRECTORS

Amid the dual challenges of an adjustment period in the property industry and intensifying competition, the Group is placing a greater focus on steady and sustainable development. Accordingly, the Group has adopted a more prudent and business-aligned investment strategy. At the same time, the Group is proactively implementing a talent strategy to attract and cultivate outstanding personnel, thereby strengthening the Group's core competitiveness and infusing vitality into its long-term growth. Therefore, based on a comprehensive consideration of the aforementioned factors along with the actual efficiency of usage across various purposes, the Group has decided to adjust and reallocate the intended use of Net Proceeds. The Board has resolved on 18 December 2024 to (i) change the intended use of Net Proceeds for "strategic investments and acquisitions to expand the Group's property management and commercial operational businesses, office building and industrial park operation and management and home furnishing and decoration services" to "strategic investments and acquisitions to expand the Group's business scope and scale"; (ii) include a category of "strategic spending to facilitate the expansion and development of the Group's business" for the intended use of Net Proceeds; (iii) change the intended use of Net Proceeds for "recruiting and cultivating talents, including management and professionals for our principal business" to "recruiting and cultivating talents, including but not limited to management and professionals for the Group's principal business, and the personnel incentives of the Group (including but not limited to share award scheme)"; (iv) reallocate 40% of the Net Proceeds originally allocated to "strategic investments and acquisitions to expand the Group's property management and commercial operational businesses, office building and industrial park operation and management and home furnishing and decoration services" and 10% of the Net Proceeds originally allocated to "investing in information technology systems and human resources to support information technology systems" to "strategic spending to facilitate the expansion and development of the Group's business", "recruiting and cultivating talents, including but not limited to management and professionals for the Group's principal business, and the personnel incentives of the Group (including but not limited to share award scheme)" and "working capital and for general corporate uses". Specifically, 30% will be directed towards "strategic spending to facilitate the expansion and development of the Group's business", 10% will be directed towards "recruiting and cultivating talents, including but not limited to management and professionals for the Group's principal business, and the personnel incentives of the Group (including but not limited to share award scheme)" and 10% will be directed towards "working capital and for general corporate uses"; and (v) revise the intended timetable for use of the unutilized Net Proceeds. For further details, please refer to the announcement dated 18 December 2024 of the Company.

REPORT OF THE DIRECTORS

Details of the use of Net Proceeds are set out below:

Intended use of Net Proceeds	Allocation of Net Proceeds (HK\$ million)	Percentage of total Net Proceeds	Amount of unutilised Net Proceeds at the beginning of the Reporting Period (HK\$ million)	Amount of utilised Net Proceeds during the Reporting Period (HK\$ million)	Amount of unutilised Net Proceeds at the end of the Reporting Period (HK\$ million)	Intended timetable for use of the unutilised Net Proceeds
(i) Strategic investments and acquisitions to expand the Group's business scope and scale	35.22	20%	35.22	14.78	20.44	December 2027
(ii) Strategic investments to facilitate the expansion and development of the Group's business	52.83	30%	52.66	8.12	44.54	December 2027
(iii) Investing in information technology systems and human resources to support information technology systems	17.61	10%	10.00	2.95	7.05	December 2027
(iv) Recruiting and cultivating talents, including but not limited to management and professionals for the Group's principal business, and the personnel incentives of the Group (including but not limited to share award scheme)	35.22	20%	17.62	4.38	13.24	December 2026
(v) Working capital and for general corporate uses	35.22	20%	17.17	17.17	—	N/A
Total	176.10	100%	132.67	47.40	85.27	

The Company will utilise the Net Proceeds of the global offering in accordance with the intended purposes as set out in the Prospectus and the announcement of the Company dated 18 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high corporate governance standards. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report of this annual report.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Yan Hong, Mr. Chen Di and Mr. Fang Liqiang. The chairman of the Audit Committee is Mr. Yan Hong.

The Audit Committee has reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 December 2025 and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

REPORT OF THE DIRECTORS

AUDITOR

The consolidated financial statements of the Group for the Reporting Period have been audited by BDO Limited.

Reference is made to the announcement of the Company dated 5 June 2024 (the “**Change of Auditor Announcement**”), in relation to, among other things, proposed change of auditor of the Company. As disclosed in the Change of Auditor Announcement, having due consideration to audit fees, the Board proposed that Ernst & Young (“**EY**”) retire as auditor of the Company at the conclusion of the forthcoming annual general meeting of the Company upon the expiration of its term of office and will not be re-appointed as an auditor of the Company at the forthcoming annual general meeting. The Company held the annual general meeting on 27 June 2024, at which the resolution to appoint BDO Limited as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix its remuneration was duly approved. For details, please refer to the Company’s announcements dated 5 June 2024 and 27 June 2024.

Save as disclosed above, the Company has not changed its auditor in the past three years.

On behalf of the Board

Zhang Zhicheng

Chairman of the Board

PRC, 27 March 2026

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DESUN REAL ESTATE INVESTMENT SERVICES GROUP CO., LTD.

(德商產投服務集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Desun Real Estate Investment Services Group Co., Ltd. (the “Company”) and its subsidiaries (together the “Group”) set out on pages 138 to 229, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) 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 (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), as applicable to audits of 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.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(continued)*

Key audit matter

Our response:

Provision for expected credit losses on trade receivables

As at 31 December 2025, the net carrying amount of the Group's trade receivables was RMB169,322,000 (after netting of the allowance for impairment of RMB20,710,000).

The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

We identified the impairment of trade receivables as a key audit matter due to the significance of the balance to consolidated financial statements and the significant judgement exercised by management in estimating the expected credit losses for trade receivables.

Relevant disclosures are included in notes 5(b)(ii), 23 and 40 to consolidated financial statements.

Our audit procedures in relation to management's judgment and uses of estimates on ECLs assessment of trade receivables included:

- Obtained an understanding of how management assessed the expected credit losses for trade receivables, evaluated the key judgements applied, with reference to historical collection experience;
- Assessed the expected credit loss provisioning methodology, examined the key data inputs on a sampling basis and reviewed the key assumptions used to determine the expected credit losses, including both historical and forward-looking information;
- Tested the ageing analysis of trade receivables as at 31 December 2025 used in the calculation of the allowance for impairment of trade receivables, on a sampling basis, by tracing the data back to the source documents; and
- Assessed the adequacy of the Group's disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(continued)*

Key audit matter	Our response:
<i>Impairment of goodwill</i>	
<p>As at 31 December 2025, the Group had goodwill of RMB9,179,000 in relation to the Group's acquisition of a business.</p>	<p>Our audit procedures in relation to management's judgment and uses of estimates on impairment of goodwill included:</p>
<p>Goodwill is tested for impairment annually. No impairment charge has been recorded against goodwill in the current year. The goodwill impairment review performed by the Group's management involves a number of significant judgements and estimates including the estimation of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate.</p>	<ul style="list-style-type: none">• Evaluated management's future cash flow forecasts;• Analysed the key assumptions adopted by management, including forecast revenue and EBIT over the forecast period, by comparing them with historical performance and trends;• Performed sensitivity analyses on the forecasts;• Evaluated the valuation methodology and key valuation inputs used by the Group and, with the assistance of our internal valuation specialists, assessed the discount rate applied by benchmarking it against relevant industry and market data; and• Evaluated the adequacy of the Group's disclosures regarding goodwill impairment testing.
<p>We focused on this area because of the complex and subjective management estimation made by management on the key assumptions.</p>	
<p>The accounting estimates and disclosures related to the impairment assessment of goodwill are included in notes 5(b)(i) and 19 to the consolidated financial statements.</p>	

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

INDEPENDENT AUDITOR'S REPORT

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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 are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- 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 work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee 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 the directors, 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.

BDO Limited

Certified Public Accountants

Chau Ho Kit

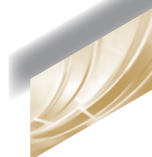
Practising Certificate Number P08363

Hong Kong, 27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	7	488,373	453,512
Cost of sales		(382,709)	(353,684)
Gross profit		105,664	99,828
Other income and other gains or losses, net	8	11,373	12,680
Selling expenses		(5,420)	(11,540)
Administrative expenses		(43,491)	(38,202)
Provision for impairment losses on trade receivables, net	23	(7,135)	(2,320)
Provision for impairment losses on deposits and other receivables, net	24	(1,148)	(523)
Impairment loss on investment properties	16	(292)	(920)
Provision for inventories	22	(171)	—
Other expenses		(1,191)	(1,144)
Finance costs	9	(16,026)	(15,190)
Share of profit of associates	20	6,275	1,613
Share of loss of a joint venture		(220)	—
Profit before income tax	10	48,218	44,282
Income tax expense	12	(7,482)	(6,377)
Profit for the year		40,736	37,905
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		22	—
Total comprehensive income for the year		40,758	37,905
Profit and total comprehensive income for the year attributable to:			
— Owners of the parent		33,361	37,014
— Non-controlling interests		7,397	891
		40,758	37,905
Earnings per share attributable to owners of the company during the year			
— Basic	14	RMB6.02 cents	RMB6.51 cents
— Diluted	14	RMB5.72 cents	RMB6.48 cents



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property and equipment	15	93,954	97,432
Investment properties	16	211,504	232,400
Right-of-use assets	17(a)	3,556	154
Other intangible assets	18	6,918	9,418
Goodwill	19	9,179	9,179
Investment in associates	20	30,489	28,579
Investment in a joint venture		430	—
Financial assets at fair value through profit or loss	25	4,433	—
Deferred tax assets	21	7,291	5,028
Prepayments, deposits and other receivables	24	8,768	11,551
Restricted deposits	26	2,421	1,108
Total non-current assets		378,943	394,849
Current assets			
Inventories	22	13,002	23,981
Trade receivables	23	169,322	189,646
Prepayments, deposits and other receivables	24	192,597	57,267
Cash and cash equivalents	26	178,581	169,084
Total current assets		553,502	439,978
Current liabilities			
Contract liabilities	7	76,765	55,691
Trade payables	27	40,636	55,532
Other payables and accruals	28	135,903	154,408
Bank borrowings	29	53,400	9,000
Lease liabilities	17(b)	17,514	15,131
Tax payable		9,787	6,412
Dividend payable		—	225
Total current liabilities		334,005	296,399
Net current assets		219,497	143,579
Total assets less current liabilities		598,440	538,428

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Other payables and accruals	28	22,771	30,922
Contract liabilities	7	735	75
Lease liabilities	17(b)	219,940	232,653
Deferred tax liabilities	21	562	676
Bank borrowings	29	28,800	—
Total non-current liabilities		272,808	264,326
Net Assets			
		325,632	274,102
Equity			
Share capital	30	393	393
Treasury shares		(74,600)	(81,812)
Reserves	31	387,414	350,134
Equity attributable to owners of the Company		313,207	268,715
Non-controlling interests		12,425	5,387
Total equity		325,632	274,102

On behalf of the board of directors

Zhang Zhicheng
Director

Wan Hong
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company										
	Share capital	Treasury shares	Share premium*	Capital reserve*	Statutory surplus reserve*	Share option reserve*	Foreign exchange reserve*	Retained profits*	Total	Non controlling interests	Total equity
	RMB'000 (note 30)	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 36)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	393	(2,871)	117,220	24,700	19,507	137	—	146,320	305,406	7,196	312,602
Profit and total comprehensive income for the year	—	—	—	—	—	—	—	37,014	37,014	891	37,905
Equity-settled share option arrangements (note 36)	—	—	—	—	—	2,005	—	—	2,005	—	2,005
Equity contribution from the non-controlling shareholders of subsidiaries	—	—	—	425	—	—	—	—	425	406	831
Shares repurchased	—	(78,941)	—	—	—	—	—	—	(78,941)	—	(78,941)
Change in ownership interest in a subsidiary	—	—	—	—	—	—	—	2,806	2,806	(3,106)	(300)
Transfer from retained profits	—	—	—	—	5,580	—	—	(5,580)	—	—	—
At 12 December 2024 and 1 January 2025	393	(81,812)	117,220	25,125	25,087	2,142	—	180,560	268,715	5,387	274,102
Comprehensive income for the year	—	—	—	—	—	—	—	33,339	33,339	7,397	40,736
Other comprehensive income	—	—	—	—	—	—	22	—	22	—	22
Total comprehensive income for the year	—	—	—	—	—	—	22	33,339	33,361	7,397	40,758
Exercise of share options (note 36)	—	7,212	—	—	—	(1,887)	—	(2,075)	3,250	—	3,250
Equity-settled share option arrangement (note 36)	—	—	—	—	—	7,581	—	—	7,581	—	7,581
Capital contribution by the non-controlling interests of new subsidiaries	—	—	—	—	—	—	—	—	—	1,596	1,596
Transfer from non-controlling interests for no consideration	—	—	—	300	—	—	—	—	300	(300)	—
Transfer from retained profits	—	—	—	—	414	—	—	(414)	—	—	—
Dividend paid by a subsidiary to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(1,655)	(1,655)
At 31 December 2025	393	(74,600)	117,220	25,425	25,501	7,836	22	211,410	313,207	12,425	325,632

* These reserve accounts comprise the consolidated reserves of RMB387,414,000 (2024: RMB350,134,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit before income tax		48,218	44,282
Adjustments for:			
Depreciation of property and equipment	10	15,639	16,133
Depreciation of investment properties	10	20,604	20,532
Depreciation of right-of-use assets	10	286	232
Amortisation of other intangible assets	10	3,194	1,959
Share of profit of associates	20	(6,275)	(1,613)
Share of loss of a joint venture		220	—
Net fair value gain on financial assets at FVTPL	8	(76)	—
Interest income	8	(4,178)	(3,299)
Finance costs	9	16,026	15,190
Gain on bargain purchase	8	—	(168)
Provision for impairment losses on trade receivables, net	10	7,135	2,320
Provision for impairment losses on deposits and other receivables, net	10	1,148	523
Impairment loss on investment properties	10	292	920
Provision for inventories	22	171	—
Share based payment expense, net of reversal	36	7,581	2,005
Operating profit before working capital changes		109,985	99,016
Decrease/(increase) in inventories		10,808	(4,430)
Decrease/(increase) in trade receivables		13,189	(25,052)
Increase in prepayments, deposits and other receivables		(18,118)	(11,485)
Increase in contract liabilities		21,734	8,179
(Decrease)/increase in trade payables		(14,896)	10,495
(Decrease)/increase in other payables and accruals		(11,811)	2,112
Increase in restricted deposits		(1,313)	(127)
Cash generated from operations		109,578	78,708
Interest received		4,178	3,299
Income tax paid		(6,462)	(9,874)
Net cash generated from operating activities		107,294	72,133

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Purchases of property and equipment		(12,161)	(14,890)
Additions to other intangible assets		(694)	(1,445)
Purchase of investment properties		—	(3,126)
Capital contribution to associates		(10,850)	(1,062)
Capital contribution to a joint venture		(650)	—
Proceeds from capital reduction of an associate		14,700	—
Proceed for acquisition of a subsidiary, net	32	—	(245)
Purchase of financial assets at fair value through profit or loss		(4,357)	—
Loan to an associate	34(b)(iv)	(115,773)	—
Loan to the non-controlling shareholder of a subsidiary	34(b)(v)	—	(4,000)
Net cash used in investing activities		<u>(129,785)</u>	<u>(24,768)</u>
Cash flows from financing activities			
Proceeds from the non-controlling shareholders loans	35(b)	3,091	229
Repayment of the non-controlling shareholders loans	35(b)	(5,396)	(490)
Dividends paid to non-controlling interests in subsidiaries		(1,655)	—
Proceeds from loan from an associate	35(b)	—	16,162
Repayment of loan from an associate	35(b)	(14,982)	(1,180)
Proceeds from exercise of options	36	3,250	—
Repayments of principal portion of the lease liabilities	35(b)	(13,822)	(8,939)
Interest paid on lease liabilities	35(b)	(10,731)	(10,904)
Investment made in additional ownership interest in a subsidiary without change of control		—	(300)
Proceeds from bank loans	35(b)	75,000	—
Repayment of bank loans	35(b)	(1,800)	(1,000)
Interest paid	35(b)	(2,338)	(3,004)
Dividends paid		(225)	—
Proceeds from issues of shares to non-controlling interests of new subsidiaries		1,596	—
Shares repurchased	30	—	(78,941)
Net cash generated from/(used in) financing activities		<u>31,988</u>	<u>(88,367)</u>
Net increase/(decrease) in cash and cash equivalents		9,497	(41,002)
Cash and cash equivalents at beginning of the year		<u>169,084</u>	<u>210,086</u>
Cash and cash equivalents at end of the year	26	<u><u>178,581</u></u>	<u><u>169,084</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE AND GROUP INFORMATION

Desun Real Estate Investment Services Group Co., Ltd. (the “Company”) is an exempted company incorporated in the Cayman Islands. The registered office address of the Company is 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands. The principal place of business in the People’s Republic of China (“PRC”) is Room 1803, Block A Desun International, No. 1480 North Section of Tianfu Avenue, High-tech Industrial Development Zone, Chengdu, China.

During the year, the Company and its subsidiaries (the “Group”) were principally engaged in the following activities in PRC:

- The property services segment mainly includes property management services, other value – added services and sale of carparks;
- The asset operation services segment includes office building sublease services, commercial operation services, commercial property management and other related services and e-commerce live streaming services;
- The investment and development segment includes home decoration and refurbishment services.

In the opinion of the directors of the Company, the holding and the ultimate holding company of the Company is Sky Donna Holding Limited, which is incorporated in the British Virgin Islands (“BVI”). Mr. Zou Kang and Ms. Zou Jian are collectively the ultimate controlling shareholders of the Company (the “Ultimate Controlling Shareholders”).

Information about subsidiaries

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

Entity name	Place and date of incorporation/ establishment and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity Interests attributable to the Company		Principal activities
			Direct	Indirect	
Desun Property Service Limited	Hong Kong/ 18 January 2021	HKD1	–	100%	Investment holding
成都德商產投企業管理集團有限公司 Chengdu Desun Industry Investment Enterprise Management Group Co., Ltd. (“Desun Enterprise Management”)	PRC/Chinese Mainland/ 12 March 2021	RMB50,000,000	–	100%	Investment holding
成都德商產投物業服務有限公司 Chengdu De Sun Property Service Co., Ltd.	PRC/Chinese Mainland/ 12 March 2010	RMB50,000,000	–	100%	Property management
成都德正物業服務有限公司 Chengdu Dezheng Property Service Co., Ltd.	PRC/Chinese Mainland/ 19 December 2019	RMB500,000	–	100%	Property management

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1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Entity name	Place and date of incorporation/ establishment and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity Interests attributable to the Company		Principal activities
			Direct	Indirect	
成都中能物業管理有限責任公司 Chengdu Zhongneng Property Management Company Limited ("Zhongneng")	PRC/Chinese Mainland/ 16 May 2006	RMB10,000,000	—	100%	Property management
成都福朗物業服務有限公司 Chengdu Fulang Property Service Co., Ltd.	PRC/Chinese Mainland/ 16 January 2020	RMB1,000,000	—	51%	Property management
成都商德智美房地產經紀有限公司 Chengdu Shangde Zhimei Real Estate Brokerage Co., Ltd.	PRC/Chinese Mainland/ 27 June 2022	RMB1,000,000	—	100%	Property management
成都曉賓琦美建築工程有限公司 Chengdu Xiaobin Qimei Construction Engineering Co., Ltd.	PRC/Chinese Mainland/ 13 August 2021	RMB2,000,000	—	100%	Interior design
四川德商智慧綠色置業有限公司 Sichuan Desun Smart Green Real Estate Co., Ltd.	PRC/Chinese Mainland/ 4 January 2021	RMB20,000,000	—	100%	Engineering Construction Management
成都德商新泓道商業管理有限公司 Chengdu Xinhongdao Enterprise Management Co., Ltd.	PRC/Chinese Mainland/ 2 August 2022	RMB5,000,000	—	51%	Office building leases
成都德商遠泓商業管理有限公司 Chengdu Deshang Yuanhong Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 5 August 2022	RMB500,000	—	51%	Office building leases
成都德商恒鴻商業管理有限公司 Chengdu Dehenghong Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 12 August 2022	RMB500,000	—	51%	Office building leases
成都德商永潤商業管理有限公司 Chengdu German Business Yongrun Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 12 August 2022	RMB500,000	—	51%	Office building leases
四川尚合錦鴻商業管理有限公司 Sichuan Shanghe Jinhong Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 3 November 2022	RMB1,000,000	—	31%*	Office building leases
成都匯企景合商業管理有限公司 Chengdu Huiqi Jinghe Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 6 February 2023	RMB500,000	—	31%*	Office building leases
四川尚合宇匯商業管理有限公司 Sichuan Shanghe Yuhui Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 8 November 2022	RMB1,000,000	—	31%*	Office building leases
四川德匯尚合商業管理有限公司 Sichuan Dehui Shanghe Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 9 November 2022	RMB1,000,000	—	31%*	Office building leases

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1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Entity name	Place and date of incorporation/ establishment and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity Interests attributable to the Company		Principal activities
			Direct	Indirect	
四川匯通錦鴻商業管理有限公司 Sichuan Huitong Jinhong Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 25 April 2023	RMB500,000	—	41%*	Office building leases
四川尚行廣匯商業管理有限公司 Sichuan Shangxing Guanghui Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 12 May 2023	RMB10,000,000	—	51%	Office building leases
四川匯通泓宇商業管理有限公司 Sichuan Huitong Hongyu Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 12 May 2023	RMB500,000	—	51%	Office building leases
四川億聯華沃商業管理有限公司 Sichuan Yilian Huawo Commercial Management Co., Ltd.	PRC/Chinese Mainland/ 12 May 2023	RMB500,000	—	31%*	Office building leases
成都蜀都萬澤置業有限責任公司 Chengdu Shudu Wanze Real Estate Co., Ltd.	PRC/Chinese Mainland/ 13 October 2021	RMB1,000,000	—	51%	Property management
成都蜀都第一太平戴維斯物業 服務有限責任公司 Chengdu Shudu Savills Property Service Co., Ltd.	PRC/Chinese Mainland/ 9 December 2021	RMB1,000,000	—	51%	Property management

Note:

* These companies are subsidiaries of non-wholly-owned subsidiaries of the Company and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over them. The percentage of equity interests as disclosed above represented the effective equity interest attributable to the Company.

Other than Desun Enterprise Management which is registered as a wholly-foreign-invested enterprise under the PRC law, other subsidiaries established in the PRC are registered as domestic-invested enterprises with limited liability under the PRC law.

None of the subsidiaries has material non-controlling interests.

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

The English names of all subsidiaries established in the PRC represent the best efforts made by the management of the Company to directly translate the Chinese names as they have not registered any official English names.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards ('IASs') and Interpretations (collectively 'IFRS Accounting Standards') issued by the International Accounting Standards Board ("IASB") and the provisions of the Hong Kong Companies Ordinance, Cap. 622 which concern the preparation of financial statements. The consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

2.2 Basis of presentation

The consolidated financial statements have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss.

2.3 Functional and presentation currency

The consolidated financial statements of the Group are presented in Renminbi ("RMB"), which is also the functional currency of the Company. RMB is the currency of the primary economic environment in which the principal subsidiary of the Company operates (the functional currency of the principal subsidiary). All values are rounded to the nearest thousand except when otherwise indicated.

3. ADOPTION OF IFRS ACCOUNTING STANDARDS

3.1 Adoption of revised standards and interpretations

The following amendments to IFRS Accounting Standards and interpretations were adopted by the Company on 1 January 2025.

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards have no material impact on the Group's results and financial position for the current or prior period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

3. ADOPTION OF IFRS ACCOUNTING STANDARDS *(continued)*

3.2 Issued but not yet effective IFRS Accounting Standards

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards – Volume 11 ²

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

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

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

The directors of the Company are currently assessing the impact of IFRS 18 on the presentation and disclosure of the Group's consolidated financial statements. Based on management's assessment, other new and amended IFRS Accounting Standards that have been issued but are not yet effective are unlikely to have a material impact on the Group's results and financial position upon application.

4. MATERIAL ACCOUNTING POLICIES

4.1 Investment in associates and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in associates is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

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

Joint venture

Interests in the joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.2 Business combinations and goodwill

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

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

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

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

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

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

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

When the acquisition of an asset or a group of assets that does not constitute a business, the Group shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The cost of the Group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.3 Fair value measurement

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

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

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

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

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.4 Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.5 Related parties

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

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.6 Property and equipment and depreciation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.6 Property and equipment and depreciation *(continued)*

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

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

Devices and equipment	20% to 33%
Furniture and fixtures	20%
Motor vehicles	20% to 25%
Leasehold improvements	Lease terms

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

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

4.7 Investment properties

Investment properties are interests in buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at historical cost less accumulated depreciation and provision for any impairment in value. Other than the investment properties in which the Group as a sub-lessor, depreciation is calculated on the straight-line basis to write off the cost of an investment property to its residual value over its estimated useful life of 10 to 63 years. Depreciation of the investment properties in which the Group as a sub-lessor is calculated on the straight-line basis over the lease period of the head lease.

Subsequent expenditure is capitalised in 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 costs of the item can be measured reliably; otherwise, the expenditures are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.8 Intangible assets (other than goodwill)

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

Software

Software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 1 to 10 years, which is based on management's expectation on the technological lives of the systems.

Customer relationships

Customer relationship acquired in a business combination is recognised at fair value at the acquisition date. The customer relationship has a finite useful life and is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful life of 2 to 10 years, taking into account the prior experience of the renewal pattern of property management contracts.

4.9 Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.9 Leases *(continued)*

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	2 years and 11 months
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of staff quarters and office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.9 Leases *(continued)*

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Group as a sub-lessor

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying assets.

4.10 Financial Instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.10 Financial Instruments *(continued)*

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss ("FVTPL").

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

FVTPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within 'other income and other gains or losses, net' in the year in which it arises.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.10 Financial Instruments *(continued)*

Derecognition of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether a financial asset is credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.10 Financial Instruments *(continued)*

Impairment of financial assets (continued)

General approach (continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- (i) significant financial difficulties of the debtor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments; or
- (iii) likelihood that the borrower will enter into bankruptcy or other financial reorganization emerges.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.10 Financial Instruments *(continued)*

Financial liabilities (continued)

Initial recognition and measurement (continued)

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to related parties and interest-bearing borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in interest expenses in profit or loss.

Financial guarantee contract

Financial guarantee contract is recognised as a financial liability at the time when the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

4.11 Treasury shares

Own equity instruments which are reacquired and held by the Company (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.12 Inventories

Inventories are stated at the lower of cost and net realisable value (“NRV”). Cost of carparking spaces is determined on specific identification basis i.e., when the carparking space is sold, the carrying amount of the carparking space is recognized as an expense in the period in which the related revenue is recognised. Cost of other inventories is determined on the first-in, first-out basis. NRV is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. NRV for carparking spaces is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property in the same geographical market.

4.13 Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

4.14 Provision

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.15 Income tax

The income tax expense or credit for the 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.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each year, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.15 Income tax *(continued)*

Deferred income tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.15 Income tax *(continued)*

Deferred income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4.16 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and the estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is resolved.

Property services

Property management services comprise: (i) residential and non-residential property management services; (ii) value-added services for non-property owners; (iii) value-added services for property owners and (iv) sale of carparks.

(i) Residential and non-residential property management services

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.16 Revenue recognition *(continued)*

Property services (continued)

(i) Residential and non-residential property management services (continued)

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

On a commission basis, the Group is entitled to a fixed amount of management fees which the property owners and property developers are obligated to pay over a specific contract period. The remainder of the management fees is used as property management working capital to cover the property management expenses associated with the property management work. In the event of a surplus of working capital after deducting the relevant property management expenses, the surplus is generally repayable to the customer. In the event of a shortfall of working capital to pay for the relevant property management expenses, the Group may need to make up for the shortfall and pay on behalf of the community management offices first, with a right to recover from the residents subsequently.

On a commission basis, the Group essentially acts as an agent of the property owners and property developers and accordingly, the Group charges a pre-determined percentage at 5% to 18% of the total property management fees received when the property owners and property developers are obligated to pay. Any direct cost under the property management service agreement shall be borne by property owners and property developers.

For property management services on a lump sum basis and certain value-added services to non-property owners, revenue is recognised when services are rendered to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of those services. The service fee is received in advance or is due within 180 days of the demand note issue date for related companies or certain property owners. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(ii) Value-added services for non-property owners

Value-added services for non-property owners mainly include sales assistance services, pre-delivery services, brokerage services, repair and maintenance services, construction site management services and preliminary planning and preparation services. Revenue from brokerage services and preliminary planning and preparation services is recognised at the point in time when the services are rendered and accepted by the customers. Revenue from other value-added services other than brokerage services and preliminary planning and preparation services is recognised over time, in the amount to which the Group has a right to invoice, because the customer simultaneously receives and consumes the benefits provided by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.16 Revenue recognition *(continued)*

Property services (continued)

(ii) Value-added services for non-property owners (continued)

Value-added services are rendered in a short period of time which is generally less than a year. The service fees are due for payment upon rendering the services on a monthly, quarterly or half yearly basis depending on the nature of the services rendered and payment is due within 180 days from the demand note date. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iii) Value-added services for property owners

Community value-added services for property owners include housekeeping services, community management services and traveling services. Revenue from community value-added services for property owners is recognized overtime, in the amount to which the Group has a right to invoice, and the customer simultaneously receives and consumes the benefits provided by the Group. Payment of the transaction is due immediately when the community value-added services are rendered to the customer. Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on the acceptance of the goods by the customer.

(iv) Sale of carparks

Revenue from the sale of carparks is recognised at the point in time when control of the asset is transferred to the customer.

Commercial operation and management services

Commercial operation and management services comprise: (i) commercial operational services; and (ii) commercial property management and other related services.

(i) Commercial operational services

Commercial operational services, including pre-opening management and post-opening operation management services. Revenue from monthly fixed charges for operational services is recognised over time while revenue from other commercial operational services is recognised at the point-in-time basis, in the amount to which the Group has a right to invoice that corresponds directly with the value of performance completed.

(ii) Commercial property management services and other related services

Commercial property management and other related services, mainly including security, cleaning and greening, repair and maintenance and customer services for commercial district. Property management fees are charged on a lump sum basis or commission basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.16 Revenue recognition *(continued)*

Commercial operation and management services (continued)

(ii) Commercial property management services and other related services (continued)

On a lump sum basis, the Group recognises as revenue the gross amount of property management fees the Group charged to the property owners and property developers. On a commission basis, the Group is entitled to a fixed amount of management fees which the property owners and property developers are obligated to pay over a specific contract period. The Group bills a fixed amount for services provided on a monthly basis and recognises it as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

E-commerce live streaming services

E-commerce live streaming services fees are charged on pre-determined commission rate and monthly fixed fee. The Group does not take controls of goods sold. Revenue from pre-determined commission rate for live streaming services is recognised point-in-time when the service is rendered and the audiences have made the sales with the customers of the Group, since only by that time the Group has an enforceable right to payment from the customers for the services performed. Revenue from monthly fixed fee is recognised at overtime while the customer simultaneously receives and consumes the benefits provided by the Group.

For contracts that contain variable consideration, the Group estimate the amount of consideration to which it will be entitled using the expected value method, rather than the most likely amount method, which better predicts the amount of consideration to which the Group will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue from other sources — sublease income

Rental income is recognised on a time proportion basis over the lease terms.

Home furnishing and decoration services

Home furnishing and decoration services mainly comprise: (i) interior design and decorating services; and (ii) furnishing services.

Revenue is recognised over time or at the point in time according to specific terms in the contract. The Group transfers control of a service over time if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- (b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.16 Revenue recognition *(continued)*

Home furnishing and decoration services (continued)

Revenue from the sale of decoration materials is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the decoration materials.

Other income

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

Contract liabilities

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

4.17 Share-based payments

The Company operates share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial pricing model, further details of which are given in note 36 to consolidated financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the Grant Date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the Grant Date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.17 Share-based payments *(continued)*

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will continue to be held in share option reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

4.18 Other employee benefits

Pension scheme

The employees of the Group are required to participate in a central pension scheme operated by the local municipal and provincial governments in Chinese Mainland. The Group is required to contribute a certain proportion stipulated by the government of its payroll costs to the plan as stipulated by the governments. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Chinese Mainland are charged to profit or loss as incurred.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(a) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Property lease classification – Group as lessor and sub-lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying assets.

(ii) Recognition of deferred tax liabilities for withholding taxes

Deferred tax liabilities are recognised for withholding tax levied on dividends declared to foreign investors from the foreign investment enterprise established in Chinese Mainland. Significant management judgement is required to determine the amount of deferred tax liabilities that can be recognised, based upon the likely dividends declared. Further details are contained in note 21 to consolidated financial statements.

(b) Estimation uncertainty

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2025, the carrying amount of goodwill was RMB9,179,000 (2024: RMB9,179,000). Further details are given in note 19 to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty *(continued)*

(ii) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by service type and customer type).

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in notes 23 and 40 to consolidated financial statements.

(iii) Provision for expected credit losses on other receivables

The Group takes into account qualitative and quantitative reasonable and supportable forward-looking information of forecast economic conditions when assessing the provision for expected credit losses on other receivables. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's forecast of economic conditions might not be representative of the actual default in the future. The information about the ECLs on the Group's other receivables is disclosed in notes 24 and 40 to consolidated financial statements.

(iv) Leases — Estimating the incremental borrowing rate — Group as lessee

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty *(continued)*

(v) *Deferred tax assets*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 December 2025 was RMB24,175,000 (2024: RMB13,359,000). Further details are contained in note 21 to the consolidated financial statements.

6. SEGMENT INFORMATION

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

The board of directors focused on the operating results of the Group based on the property services segment, asset operation service segment, investment and development segment. Management reorganised the reporting structure of the Group upon the development of several businesses, and monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Accordingly, for management purposes, the Group is organised into business units based on their services and has three reportable operating segments as follows:

- (a) Property services segment, which mainly includes property management services and other value-added services and sale of carparks;
- (b) Asset operation service segment, which includes office building sublease services, commercial operational services, commercial property management and other related services and e-commerce live streaming services;
- (c) Investment and development segment, which includes home decoration and refurbishment services.

The CODM assesses the performance of the operating segments based on segment profit. There were no separate segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

6. SEGMENT INFORMATION (continued)

Year ended 31 December 2025	Property Services RMB'000	Asset Operation Service RMB'000	Investment and Development RMB'000	Total RMB'000
Segment revenue (note 7)				
Sales to external customers	321,909	149,083	17,381	488,373
Intersegment sales	1,095	571	291	1,957
Total segment revenue	323,004	149,654	17,672	490,330
<i>Reconciliation:</i>				
Elimination of intersegment sales				1,957
Revenue				488,373
Segment results				
	77,621	2,464	(1,370)	78,715
<i>Reconciliation:</i>				
Interest income				4,178
Foreign exchange and other unallocated losses				(783)
Share of profit or loss of associates				6,055
Corporate and other unallocated Expenses:				
– Auditors' remuneration				(1,500)
– Salaries and retirement benefit scheme				(11,964)
– Other professional fee				(4,337)
– Unallocated expenses				(14,565)
– Equity-settled share option arrangement				(7,581)
Profit before income tax				48,218

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6. SEGMENT INFORMATION (continued)

Year ended 31 December 2024	Property	Asset	Investment and	Total
	Services	Operation	Development	
	RMB'000	Service	RMB'000	RMB'000
		RMB'000		
Segment revenue (note 7)				
Sales to external customers	287,129	141,486	24,897	453,512
Intersegment sales	2,243	—	—	2,243
Total segment revenue	289,372	141,486	24,897	455,755
<i>Reconciliation:</i>				
Elimination of intersegment sales				2,243
Revenue				453,512
Segment results				
	48,733	22,864	1,677	73,274
<i>Reconciliation:</i>				
Interest income				3,299
Foreign exchange and other unallocated gains				908
Corporate and other unallocated				
Expenses:				
— Auditors' remuneration				(1,500)
— Salaries and retirement benefit scheme				(16,356)
— Other professional fee				(4,868)
— Unallocated expenses				(10,475)
Profit before income tax				44,282

Geographical information

During the year, the Group operated within one geographical location because the majority of its revenue was generated in the PRC and the majority of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no geographical information is presented.

Information about a major customer

During the year, revenue from contracts with customers of approximately RMB40,766,000 (2024: RMB34,918,000) was derived from services provided to companies in which the ultimate controlling shareholders have control or jointly control and on which they have significant influence (collectively referred to as "Fellow Entities"), contributing 8.35% (2024: 8%) of the total revenue of the Group during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7. REVENUE

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
<i>Revenue from contracts with customers</i>	432,612	395,667
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases under lease arrangement	55,761	57,845
	<u>488,373</u>	<u>453,512</u>

Disaggregated revenue information:

	2025 RMB'000	2024 RMB'000
Property services segment:		
– Property management services and other value-added Services	319,529	272,154
– Sale of carparks	2,380	14,975
Subtotal	<u>321,909</u>	<u>287,129</u>
Asset Operation Services segment:		
– Commercial operation and management	40,818	52,438
– Office building and community operation and management	25,024	23,464
– E-commerce live streaming services	27,480	7,739
– Revenue from other sources	55,761	57,845
Subtotal	<u>149,083</u>	<u>141,486</u>
Investment and Development segment :		
– Home decoration and refurbishment services	17,381	24,897
Total	<u>488,373</u>	<u>453,512</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

7. REVENUE (continued)

	2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
Goods transferred at a point in time	10,402	20,376
Services transferred over time	395,452	365,723
Services transferred at a point in time	26,758	9,568
Total revenue from contracts with customers	432,612	395,667

Contract liabilities

The Group has the following revenue-related contract liabilities:

	2025 RMB'000	2024 RMB'000
Contract liabilities		
— Related parties	78	1,393
— Third parties	77,422	54,373
	77,500	55,766

Contract liabilities can be further analysed as:

	2025 RMB'000	2024 RMB'000
<i>Advances received from customers:</i>		
Property management services and other value-added services	43,093	33,885
Commercial operation and management	4,317	5,343
Home decoration and refurbishment services	8,583	851
Office building and community operation and management	20,304	15,287
E-commerce live streaming services	1,203	400
	77,500	55,766

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

7. REVENUE (continued)

Contract liabilities (continued)

Contract liabilities are expected to be recognised as revenue:

	2025 RMB'000	2024 RMB'000
Within one year	76,765	55,691
After one year	735	75
	<u>77,500</u>	<u>55,766</u>

Contract liabilities of the Group mainly arise from the advance payments received from customers while the underlying services are yet to be provided. Such liabilities increased as a result of the growth of the Group's business.

Changes in contract liabilities during the years are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	55,766	47,587
Revenue recognised that was included in the contract liabilities at 1 January	(55,691)	(46,515)
Increase due to cash received, excluding amounts recognised as revenue during the year	77,425	54,694
	<u>77,500</u>	<u>55,766</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

8. OTHER INCOME AND OTHER GAINS OR LOSSES, NET

An analysis of other income and other gains or losses, net are as follows:

	Notes	2025 RMB'000	2024 RMB'000
Other income			
Government grants	(i)	2,129	656
Additional input value-added tax deduction		76	53
Interest income		4,178	3,299
Deposits forfeited		5,382	7,030
Compensation received		—	671
Others		315	153
Total other income		12,080	11,862
Other gains or losses, net			
Gain on bargain purchase	32	—	168
Net fair value gain on financial assets at FVTPL		76	—
(Losses)/gains on exchange differences, net		(783)	650
Total (losses)/gains, net		(707)	818
Total other income and other gains or losses, net		11,373	12,680

Note:

- (i) In 2025, the Group recognised government grants of RMB1,440,000 to the subsidiaries in respect of the promotion of the high-level opening up of Chengdu by Chengdu Investment Promotion Bureau (2024: Nil).

9. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	10,731	10,904
Interest on bank loans	2,338	380
Interest on non-controlling shareholders' loans	2,442	3,454
Interest on associate's loans	515	452
	16,026	15,190

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

10. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of services provided*		378,028	343,681
Cost of goods sold		4,681	10,003
Employee benefit expense (excluding directors' and chief executive's remuneration (note 11))*:			
Wages and salaries		119,268	95,953
Equity-settled share option expense	36	5,954	771
Pension scheme contributions (defined contribution scheme)**		16,637	15,061
		141,859	111,785
Auditors' remuneration		1,500	1,500
Amortisation of other intangible assets#	18	3,194	1,959
Depreciation of property and equipment	15	15,639	16,133
Depreciation of investment properties	16	20,604	20,532
Depreciation of right-of-use assets	17(a)	286	232
Lease payments not included in the measurement of lease liabilities	17(c)	16,311	14,423
Provision for impairment losses on trade receivables, net	23	7,135	2,320
Provision for impairment losses on deposits and other receivables, net	24	1,148	523
Impairment loss on investment properties	16	292	920
Provision for inventories	22	171	—
Equity-settled share option expense, net of reversal (included in directors' and chief executive's remuneration)	36	7,581	2,005
Gain on bargain purchase^	32(a)	—	(168)
Direct operating expenses arising from investment property		1,841	3,588

* Employee benefit expenses of RMB118,295,000 were included in "Costs of sales" in consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2025 (2024: RMB92,422,000).

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

The amortisation of other intangible assets for the year is recorded in "Cost of sales" and "Administrative expenses" in consolidated statement of profit or loss and other comprehensive income.

^ Gain on bargain purchase is included in "Other income and other gains or losses, net" in consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

Details of the remuneration received or receivable by the directors and the chief executive officer from the group entities are as follows:

	Notes	2025 RMB'000	2024 RMB'000
Fees		411	411
Other emoluments:			
Salaries, allowances and benefits in kind		3,542	4,691
Equity-settled share option expense, net of reversal	36	1,627	1,234
Pension scheme contributions		460	516
Subtotal		5,629	6,441
Total		6,040	6,852

Certain directors were granted share options, in respect of their services to the Group, under the Share Award Scheme (as defined in note 36 to consolidated financial statements) of the Company.

The fair value of such options, which has been recognised in consolidated statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant and the amount included in the consolidated financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

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

	2025 RMB'000	2024 RMB'000
Mr. Fang Liqiang	137	137
Mr. Chen Di	137	137
Mr. Yan Hong	137	137
	411	411

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

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

At 31 December 2025

	Salaries, allowances and benefits in kind RMB'000	Equity settled share option expense, net of reversal RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive directors:				
Ms. Zhu Na (note (ii))	642	904	92	1,638
Ms. Wan Hong	611	181	92	884
Mr. Liu Jun	733	271	92	1,096
Mr. Shao Jiazhen	731	271	92	1,094
Subtotal	2,717	1,627	368	4,712
Non-Executive Director:				
Mr. Zou Kang	—	—	—	—
Chief executive:				
Mr. Zhang Zhicheng	825	—	92	917
Total	3,542	1,627	460	5,629

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

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

At 31 December 2024

	Salaries, allowances and benefits in kind RMB'000	Equity settled share option expense, net of reversal RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive directors:				
Ms. Xiong Jianqiu (note (i))	80	—	14	94
Ms. Zhu Na (note (ii))	964	—	82	1,046
Ms. Wan Hong	580	308	85	973
Mr. Liu Jun	633	463	85	1,181
Mr. Shao Jiazhen	726	463	85	1,274
Mr. Yang Wen (note (ii))	261	—	77	338
Subtotal	<u>3,244</u>	<u>1,234</u>	<u>428</u>	<u>4,906</u>
Non-Executive Director:				
Mr. Zou Kang	—	—	—	—
Chief executive:				
Mr. Zhang Zhicheng	<u>1,447</u>	—	<u>88</u>	<u>1,535</u>
Total	<u>4,691</u>	<u>1,234</u>	<u>516</u>	<u>6,441</u>

Notes:

- (i) Ms. Xiong Jianqiu resigned as an executive director of the Company on 1 March 2024.
- (ii) Mr. Yang Wen has been appointed as executive directors with effect from 1 March 2024 and resigned on 25 November 2024. Following the resignation of Mr. Yang Wen, Ms. Zhu Na has been appointed as executive directors with effect from 25 November 2024.

During both years, no emoluments were paid by the Group to any of the directors and chief executive as an inducement to join or upon joining the Group or as compensation for loss of office. No discretionary or performance-based bonuses were paid to directors for the years ended 31 December 2025 and 2024.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(c) Individuals with five highest emoluments

Of the five individuals with the highest emoluments, five (2024: five) are directors whose emoluments are disclosed in note 11(b). The aggregate of all five (2024: five) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	3,542	4,350
Equity settled share option expense, net of reversal	1,627	1,234
Pension scheme contributions	460	425
	<u>5,629</u>	<u>6,009</u>

The emoluments with the five highest emoluments were within the following bands:

	2025 No. of individuals	2024 No. of individuals
Nil to HKD1,000,000	1	—
HKD1,000,001 to HKD1,500,000	3	4
HKD1,500,001 to HKD2,000,000	1	1
	<u>5</u>	<u>5</u>

12. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 RMB'000	2024 RMB'000
Current Enterprise Income Tax — the PRC		
— charge for the year	9,932	8,051
— overprovision in prior years	(73)	(1,193)
Deferred tax (note 21)	<u>(2,377)</u>	<u>(481)</u>
Income tax expense	<u>7,482</u>	<u>6,377</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax from business carried out in the Cayman Islands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

12. INCOME TAX EXPENSE (continued)

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

Except for certain subsidiaries as described below, PRC corporate income tax has been provided at the statutory tax rate of 25% on the taxable profits of the Group's PRC subsidiaries for the years ended 2025 and 2024.

According to the *Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies*, certain subsidiaries of the Group that are located in Sichuan Province and engaged in the encouraged business of property services management were entitled to a preferential corporate income tax rate of 15%. Pursuant to the *Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (Cai Shui Fa [2020] No. 23)*, the tax preferential treatments were extended to 31 December 2030.

In addition, certain subsidiaries in the PRC are qualified as Small Low-profit Enterprises and thus are entitled to a preferential income tax rate of 20%.

The income tax expenses for the year can be reconciled to the profit before income tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit before income tax	48,218	44,282
Tax at PRC statutory rate of 25% (2024: 25%)	12,055	11,071
Income tax at preferential tax rates	(5,178)	(7,281)
Tax effect of expenses not deductible for tax purposes	1,607	2,261
Tax effect of income not subject to tax	(101)	(116)
Tax effect of tax losses not recognised	2,331	2,899
Tax effect of deductible temporary differences not recognised	(1,154)	(147)
Tax effect of the share of profit of associates	(1,569)	(403)
Tax effect of the share of loss of a joint venture	55	—
Overprovision in prior years	(73)	(1,193)
Utilisation of tax losses previously not recognised	(491)	(714)
Income tax expense	7,482	6,377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

14. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the reporting period. Diluted earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares. The calculations of basic and diluted earnings per share are based on:

	2025 RMB'000	2024 RMB'000
Earnings		
Profit for the year attributable to owners of the Company for the purposes of calculating basic and diluted earnings per share	<u>33,361</u>	<u>37,014</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	554,560,915	568,709,356
Effect of dilution — weighted average number of ordinary shares:		
— Share options	<u>28,519,377</u>	<u>2,560,769</u>
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	<u>583,080,292</u>	<u>571,270,125</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15. PROPERTY AND EQUIPMENT

	Devices and equipment RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 31 December 2025					
At 1 January 2025					
Cost	17,525	12,417	619	86,551	117,112
Accumulated depreciation	(5,383)	(3,191)	(159)	(10,947)	(19,680)
Net carrying amount	12,142	9,226	460	75,604	97,432
At 1 January 2025, net of accumulated depreciation	12,142	9,226	460	75,604	97,432
Additions	1,304	1,103	529	9,225	12,161
Depreciation provided during the year	(3,349)	(2,591)	(244)	(9,455)	(15,639)
At 31 December 2025, net of accumulated depreciation	10,097	7,738	745	75,374	93,954
At 31 December 2025					
Cost	18,829	13,520	1,148	95,776	129,273
Accumulated depreciation	(8,732)	(5,782)	(403)	(20,402)	(35,319)
Net carrying amount	10,097	7,738	745	75,374	93,954

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15. PROPERTY AND EQUIPMENT (continued)

	Devices and equipment RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
At 31 December 2024						
At 1 January 2024						
Cost	15,484	8,379	524	77,756	79	102,222
Accumulated depreciation	(1,951)	(638)	—	(958)	—	(3,547)
Net carrying amount	<u>13,533</u>	<u>7,741</u>	<u>524</u>	<u>76,798</u>	<u>79</u>	<u>98,675</u>
At 1 January 2024, net of accumulated depreciation						
	13,533	7,741	524	76,798	79	98,675
Additions	2,041	4,038	95	8,716	—	14,890
Transfer	—	—	—	79	(79)	—
Depreciation provided during the year	(3,432)	(2,553)	(159)	(9,989)	—	(16,133)
At 31 December 2024, net of accumulated depreciation	<u>12,142</u>	<u>9,226</u>	<u>460</u>	<u>75,604</u>	<u>—</u>	<u>97,432</u>
At 31 December 2024						
Cost	17,525	12,417	619	86,551	—	117,112
Accumulated depreciation	(5,383)	(3,191)	(159)	(10,947)	—	(19,680)
Net carrying amount	<u>12,142</u>	<u>9,226</u>	<u>460</u>	<u>75,604</u>	<u>—</u>	<u>97,432</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

16. INVESTMENT PROPERTIES

	2025 RMB'000	2024 RMB'000
At 1 January 2025		
Cost	268,186	265,060
Accumulated depreciation	(34,866)	(14,334)
Accumulated impairment	(920)	—
Net carrying amount	<u>232,400</u>	<u>250,726</u>
At 1 January 2025, net of accumulated depreciation	232,400	250,726
Other additions	—	3,126
Impairment	(292)	(920)
Depreciation provided during the year	(20,604)	(20,532)
At 31 December 2025, net of accumulated depreciation	<u>211,504</u>	<u>232,400</u>
At 31 December 2025		
Cost	268,186	268,186
Accumulated depreciation	(55,470)	(34,866)
Accumulated impairment	(1,212)	(920)
Carrying amount at 31 December	<u><u>211,504</u></u>	<u><u>232,400</u></u>

As at 31 December 2025, the Group's investment properties consisted of one (2024: one) residential property, nineteen (2024: nineteen) commercial properties and four (2024: four) office buildings in Chinese Mainland. The directors of the Company have determined that the investment properties consist of two classes of asset, i.e., commercial and office buildings held as right-of-use asset for subleased purpose, based on the nature, characteristics and risks of each property. The Group uses the cost model to measure its investment properties and depreciates by writing off their costs net of estimated residual values over their estimated useful lives on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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16. INVESTMENT PROPERTIES *(continued)*

Notes:

- (a) As at 31 December 2025 and 2024, the fair values of the investment properties were estimated to be approximately RMB236,180,000 (2024: RMB250,510,000). The valuation was performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professionally qualified valuer. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained.

The valuation of the one residential property and four office buildings were determined using the comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size and number of properties. The most significant input into this valuation approach is the price per square metre. The valuation of the commercial properties was determined using either income approach by reference of achievable rental income in the existing market with the rental income per month as the most significant input.

The fair value measurement hierarchy of the above investment properties requires certain significant unobservable inputs (Level 3).

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

17. LEASES

The Group as a lessee

The Group has lease contracts for office buildings for sublease arrangement and office premises for own use. The lease of office premises has lease terms of two years. Leases of office buildings for sublease arrangement generally have lease terms between 118 and 176 months.

(a) *Right-of-use assets*

Except for the amounts classified as investment properties detailed in note 16, the carrying amounts of the Group's right-of-use assets and the movements during the years are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	154	386
Additions	3,688	—
Depreciation charge	(286)	(232)
At 31 December	<u>3,556</u>	<u>154</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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17. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the years are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	247,784	256,723
New leases	3,492	—
Accretion of interest recognised during the year	10,731	10,904
Payments	(24,553)	(19,843)
Carrying amount at 31 December	<u>237,454</u>	<u>247,784</u>
Analysed into:		
Current portion	17,514	15,131
Non-current portion		
— in the second year	18,652	16,451
— in the third to fifth years, inclusive	61,219	56,784
— beyond five years	<u>140,069</u>	<u>159,418</u>
Sub-total for non-current portion	<u>219,940</u>	<u>232,653</u>
Total lease liabilities	<u>237,454</u>	<u>247,784</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

17. LEASES (continued)

The Group as a lessee (continued)

- (c) The amounts recognised in consolidated statement of profit or loss and other comprehensive income in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	10,731	10,904
Depreciation of right-of-use assets	286	232
Depreciation of investment properties held by the Group as right-of-use assets	20,296	20,327
Expense relating to short-term leases (included in cost of sales)	1,813	1,081
Expense relating to short-term leases (included in administrative expenses)	2,371	1,733
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	12,127	11,609
	<u>47,624</u>	<u>45,886</u>

(d) Variable lease payments

The Group has lease contracts for office buildings that contain variable payments based on the rental income collected by the Group. Management's objective is to align the lease expense with rental income earned.

During the year, all the Group's variable lease payments are in the form of variable rent only amounted to RMB12,127,000 (2024: RMB11,609,000).

- (e) The total cash flows for leases (including short-term lease and low value leases) are RMB42,157,000 (2024: RMB22,657,000).
- (f) The portfolio of short-term leases at the end of the reporting period is similar to the portfolio of short-term leases held during the year.

The Group as a sub-lessor

The Group leases its investment properties (note 16) consisting of four (2024: four) office buildings in Chinese Mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. Rental income recognised by the Group during the year was RMB29,278,000 (2024: RMB31,753,000), details of which are included in note 7 to the consolidated financial statements.

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17. LEASES (continued)

The Group as a sub-lessor (continued)

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	33,013	25,865
After one year but within two years	12,483	13,914
After two years but within three years	1,457	1,613
After three years but within four years	658	1,004
After four years but within five years	607	780
After five years	168	699
Total	48,386	43,875

The Group as a lessor

The Group leases its investment properties (note 16) consisting of ten (2024: ten) commercial buildings in Chinese Mainland under operating lease arrangements. Rental income recognised by the Group during the year was RMB173,000 (2024: RMB117,000), details of which are included in note 7 to the consolidated financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	92	228
After one year but within two years	95	221
After two years but within three years	98	158
After three years but within four years	102	98
After four years but within five years	105	103
After five years	553	676
Total	1,045	1,484

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18. OTHER INTANGIBLE ASSETS

	Software RMB'000	Customer relationships RMB'000	Total RMB'000
At 31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	2,144	7,274	9,418
Additions	694	—	694
Amortisation provided during the year	(560)	(2,634)	(3,194)
At 31 December 2025	<u>2,278</u>	<u>4,640</u>	<u>6,918</u>
At 31 December 2025:			
Cost	4,227	11,348	15,575
Accumulated amortisation	(1,949)	(6,708)	(8,657)
Net carrying amount	<u>2,278</u>	<u>4,640</u>	<u>6,918</u>
	Software RMB'000	Customer relationships RMB'000	Total RMB'000
At 31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	1,117	5,067	6,184
Additions	1,445	—	1,445
Acquired on acquisition of a subsidiary (note 32)	—	3,748	3,748
Amortisation provided during the year	(418)	(1,541)	(1,959)
At 31 December 2024	<u>2,144</u>	<u>7,274</u>	<u>9,418</u>
At 31 December 2024:			
Cost	3,533	11,348	14,881
Accumulated amortisation	(1,389)	(4,074)	(5,463)
Net carrying amount	<u>2,144</u>	<u>7,274</u>	<u>9,418</u>

The intangible assets are amortised over the remaining terms of the service contracts to reflect the pattern in which the assets' future economic benefits are expected to be consumed.

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19. GOODWILL

	2025 RMB'000	2024 RMB'000
Cost and carrying amount at 31 December	<u>9,179</u>	<u>9,179</u>

In 2020, the Group acquired Zhongneng and its subsidiaries (“Zhongneng Group”) from independent third parties. Zhongneng Group is engaged in providing property management services in Sichuan, the PRC.

Goodwill acquired in business combination is allocated, at acquisition, to the cash-generating unit (“CGU”) of Zhongneng Group, and included in the property services segment of the Group, that are expected to benefit from the business combination. For the purpose of impairment testing, goodwill and certain property, plant and equipment, investment properties and intangible assets set out in notes 19, 15, 16 and 18, respectively, including allocation of corporate assets, that generate cash flows together have been allocated to the CGU. The recoverable amount of the CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period prepared by management. The long-term growth rate used to extrapolate the cash flows during the terminal period is 2.0% (2024: 2.3%).

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

Budgeted revenue — The budgeted revenue is based on the existing charge rates and revenue-bearing gross floor area of the properties.

Budgeted EBIT — The basis used to determine the value assigned to the budgeted earnings before interest and taxes (“EBIT”) is the average EBIT achieved in the year immediately before the budget year, adjusted for expected changes in operating costs.

Pre-tax discount rate — The pre-tax discount rate reflects the risk relating to the CGU, and is determined using the capital asset pricing model with reference to the beta coefficient and debt ratio of certain publicly listed companies conducting business in the same industry. The pre-tax discount rate used in the value-in-use calculation for the CGU was 17.65% as at 31 December 2025 (2024: 16.29%). The recoverable amount of the CGU exceed its carrying amount by RMB61,139,000. This key assumption is consistent with the external information sources.

The determination of the recoverable amount of the CGU was particularly sensitive to changes in the following key assumption for the year ended 31 December 2025.

- A decrease of 3% in revenue growth rate would result in a reduction of recoverable amount of RMB5,191,000.
- An increase of 3% in discount rate would result in a reduction of recoverable amount of RMB10,339,000.

Management believes that any reasonably possible change in the above key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

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20. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	30,489	28,579
Share of profit of associates	6,275	1,613

Investments in associates are accounted for using the equity method. The Group holds equity interests in associates through indirect subsidiaries of the Company.

The following list contains only the particulars of material associates, all of which are unlisted corporate entities whose quoted market price is not available.

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 December	
		2025	2024
Chengdu Shengcheng City Management Service Co., Ltd. (note a)	The PRC	49%	49%
Chengdu Bangtai Jinchen Real Estate Co., Ltd. (note b)	The PRC	50%	—

Notes:

- (a) The principal activity of Shengcheng is engaged in diversified businesses such as commercial asset operation, property operation and management, office building asset operation.
- (b) Bangtai Jinchen established on 29 August 2025, principally activity is engaged in real estate development and operation.

Investments in associates are accounted for using the equity method. The Group's shareholdings in the associates are held through by indirect subsidiaries of the Company.

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20. INVESTMENTS IN ASSOCIATES (continued)

Summarised financial information (material associates)

(a) Chengdu Shengcheng City Management Service Co., Ltd

	2025 RMB'000	2024 RMB'000
As at 31 December		
Current assets	54,113	37,995
Non-current assets	144	552
Current liabilities	(18,434)	(15,404)
Non-current liabilities	—	—
Net assets (100%)	35,823	23,143
Group share of net assets (49%)	17,553	11,340
Year ended 31 December		
Revenues	90,401	54,487
Profit for the year	12,680	11,141
Other comprehensive income	—	—
Total comprehensive income	12,680	11,141
Dividends received from an associate	—	—

(b) Chengdu Bangtai Jinchen Real Estate Co., Ltd

	2025 RMB'000	2024 RMB'000
As at 31 December		
Current assets	250,263	—
Non-current assets	25	—
Current liabilities	(237,464)	—
Non-current liabilities	—	—
Net assets (100%)	12,824	—
Group share of net assets (50%)	6,412	—
Year ended 31 December		
Revenues	—	—
Loss for the year	(7,176)	—
Other comprehensive income	—	—
Total comprehensive income	(7,176)	—
Dividends received from an associate	—	—

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20. INVESTMENTS IN ASSOCIATES *(continued)*

Summarised financial information (material associates) *(continued)*

(b) Chengdu Bangtai Jincheng Real Estate Co., Ltd (continued)

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

	2025 RMB'000	2024 RMB'000
Share of the associates' profit/(loss) and total comprehensive income for the year	3,650	(1,184)
Aggregate carrying amount of the Group's investments in the associates	<u>6,524</u>	<u>625</u>

21. DEFERRED TAX

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

Deferred tax assets

	2025			2024		
	Impairment of financial assets RMB'000	Lease liabilities RMB'000	Total RMB'000	Impairment of financial assets RMB'000	Lease liabilities RMB'000	Total RMB'000
At beginning of year	2,231	33,089	35,320	2,088	64,181	66,269
Deferred tax (charged)/credited to profit or loss during the year (note 12)	<u>1,158</u>	<u>(943)</u>	<u>215</u>	<u>143</u>	<u>(31,092)</u>	<u>(30,949)</u>
At end of year	<u>3,389</u>	<u>32,146</u>	<u>35,535</u>	<u>2,231</u>	<u>33,089</u>	<u>35,320</u>

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21. DEFERRED TAX (continued)

Deferred tax liabilities

	2025			2024		
	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Right-of-use assets and investment properties RMB'000	Total RMB'000	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Right-of-use assets and investment properties RMB'000	Total RMB'000
At beginning of year	676	30,292	30,968	760	61,608	62,368
Acquisition of a subsidiary (note 32)	—	—	—	30	—	30
Deferred tax credited to profit or loss during the year (note 12)	(114)	(2,048)	(2,162)	(114)	(31,316)	(31,430)
At end of year	<u>562</u>	<u>28,244</u>	<u>28,806</u>	<u>676</u>	<u>30,292</u>	<u>30,968</u>

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

	2025 RMB'000	2024 RMB'000
Gross deferred tax assets	35,535	35,320
Gross deferred tax liabilities	<u>(28,244)</u>	<u>(30,292)</u>
Net deferred tax assets	<u>7,291</u>	<u>5,028</u>
Gross deferred tax liabilities	<u>562</u>	<u>676</u>
Net deferred tax liabilities	<u>562</u>	<u>676</u>

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

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21. DEFERRED TAX *(continued)*

Deferred tax liabilities *(continued)*

At 31 December 2024 and 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in PRC. This is because the Company controls the dividend policy of these subsidiaries and the directors of the Company determined that the Group's fund will be retained in PRC for the expansion of the Group's operation, so such retained profits are not likely to be distributed in the foreseeable future. The aggregate amounts of temporary differences associated with these in subsidiaries in PRC for which deferred tax liabilities have not been recognised approximately RMB211,895,000 as at 31 December 2025 (2024: RMB176,919,000).

As at 31 December 2025, the Group has tax losses arising in Chinese Mainland of RMB24,175,000 (2024: RMB13,359,000) which will expire in two to five years for offsetting against future profits. Deferred tax assets have not been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that future taxable profits will be available against which the tax losses can be utilised.

22. INVENTORIES

	2025 RMB'000	2024 RMB'000
Carparking spaces	9,530	23,981
Properties	3,381	—
Consumptive materials	262	—
	<u>13,173</u>	<u>23,981</u>
Less: provision for inventories	(171)	—
	<u>13,002</u>	<u>23,981</u>

As at 31 December 2025 and 2024, inventories were mainly carparking spaces and properties purchased from a Fellow Entity and a third party and carparking spaces acquired in relation to debts settlement agreements with Fellow Entities, further details was disclosed in note 36(a)(i) to the consolidated financial statements.

23. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables due from:		
Related parties (note 34(b))	45,764	75,560
Third parties	144,268	127,732
	<u>190,032</u>	<u>203,292</u>
Impairment	(20,710)	(13,646)
	<u>169,322</u>	<u>189,646</u>

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23. TRADE RECEIVABLES (continued)

Trade receivables mainly arise from property management fees charged on a lump sum basis and value-added services.

Revenue from property management service on a lump sum basis is received in accordance with the terms of the relevant property service agreements and due for payment upon the rendering of services. Payment is received in advance or due within 180 days of the demand note issue date for related companies or certain property owners. Value-added services are due for payment upon rendering the services on a monthly, quarterly or half yearly basis depending on the nature of the services rendered and payment is due within 180 days from the demand note issue date. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management.

All trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the year, based on the demand note issue date and net of provisions for impairment of trade receivables, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	118,429	131,250
1 to 2 years	38,685	37,486
2 to 3 years	8,468	10,912
Over 3 years	3,740	9,998
	<u>169,322</u>	<u>189,646</u>

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

	2025 RMB'000	2024 RMB'000
At beginning of year	13,646	11,326
Written off	(71)	—
Provision for impairment losses, net (note 10)	7,135	2,320
	<u>20,710</u>	<u>13,646</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The expected credit loss rates are based on ageing for groupings of various customer segments with similar loss patterns (i.e. by service type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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23. TRADE RECEIVABLES (continued)

	Ageing based on demand note issue date				Total
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
At 31 December 2025					
Expected credit loss rate	3.5%	10.6%	42.5%	60%	10.9%
Gross carrying amount (RMB'000)	122,714	43,256	14,730	9,332	190,032
Expected credit losses (RMB'000)	4,285	4,571	6,263	5,591	20,710
	Ageing based on demand note issue date				
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
At 31 December 2024					
Expected credit loss rate	3.1%	14.8%	9.4%	15.2%	6.7%
Gross carrying amount (RMB'000)	135,460	43,986	12,049	11,797	203,292
Expected credit losses (RMB'000)	4,211	6,500	1,137	1,798	13,646

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
<i>Current portion:</i>			
Due from related parties	34(b)	132,666	9,928
Deposits	(a)	16,491	3,936
Staff advances	(d)	936	2,056
Property management costs recoverable from residents	(d)	17,276	7,877
Payments on behalf of residents	(b)/(d)	1,495	5,539
Cash in transit		5,655	4,208
Other receivables	(c)	7,882	7,646
Prepaid expenses		17,166	24,041
		<u>199,567</u>	<u>65,231</u>
Impairment allowance		<u>(6,970)</u>	<u>(7,964)</u>
		<u>192,597</u>	<u>57,267</u>
<i>Non-current portion:</i>			
Due from related parties	34(b)	114	7,092
Deposits		2,957	3,399
Prepaid expenses		5,697	1,060
		<u>8,768</u>	<u>11,551</u>
		<u>201,365</u>	<u>68,818</u>

Notes:

- (a) The amounts mainly represented the refundable deposits paid for performance and project tendering deposits. As at 31 December 2025 and 2024, the deposits amounting to RMB2,957,000 and RMB3,957,000, respectively, were considered credit impaired. The management has assessed that the credit risk of the deposits of RMB2,957,000 (2024: RMB3,957,000) increased significantly and an impairment of RMB2,957,000 was provided (2024: RMB3,957,000).
- (b) The amounts represented the amounts paid on behalf of residents to the utility service providers for the services provided.
- (c) Included in other receivables at 31 December 2025 were interest-free loans to independent individuals and independent third parties amounting to RMB600,000 (2024: RMB600,000) and RMB1,386,000 (2024: RMB1,386,000), respectively, which were considered credit impaired and a full impairment was provided by the Group.
- (d) For staff advances, property management costs recoverable from residents and payments on behalf of residents, the expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The average loss rate applied as at 31 December 2025 was 11.1% (2024: 15.55%).

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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

All the above receivables are interest-free and are not secured with collateral. Except for those disclosed in notes (a) to (d) above, none of the financial assets included in the above balances is past due, with no recent history of default and the loss allowance assessed to be minimal.

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

	2025 RMB'000	2024 RMB'000
At beginning of year	7,964	7,441
Provision for impairment losses, net (note 10)	1,148	523
Written off	(2,142)	—
At end of year	<u>6,970</u>	<u>7,964</u>

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Unlisted equity interests	<u>4,433</u>	<u>—</u>

The above unlisted equity investments represent equity instruments within the scope of IFRS 9. These investments are measured at fair value through profit or loss as the Group did not make the irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income.

As at 31 December 2025, the balance represented a 15% unlisted equity interest in a private company incorporated in Hong Kong, and a 3.172% unlisted equity interest in a private company incorporated in the PRC.

For the year ended 31 December 2025, a net fair value gain of RMB76,000 in respect of these financial assets at FVTPL was recognised in profit or loss.

As at 31 December 2025

	Valuation technique	Significant unobservable inputs	Input values	Fair value RMB'000
Unlisted equity interest (15%)	Adjusted market approach	1. Volatility (%) 2. Risk-free Interest Rate (%) 3. Probability (%)	86.96% 2.36% 20%	3,732
Unlisted equity interest (3.172%)	Adjusted net assets approach	Discount for Lack of Control	23.20%	701

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25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The fair value measurements of the above unlisted equity interests are categorised within Level 3 of the fair value hierarchy as they involve significant unobservable inputs. Management considers that a reasonably possible change in the key unobservable inputs would not have a material effect on the fair value measurement.

The movements in Level 3 financial assets at FVTPL during the year were as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	—	—
Additions	4,357	—
Fair value gain recognised in profit or loss	76	—
At end of year	<u>4,433</u>	<u>—</u>

26. CASH AND CASH EQUIVALENTS/RESTRICTED DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	<u>181,002</u>	<u>170,192</u>
Less:		
Pledged deposits for performance guarantee, non-current	<u>(2,421)</u>	<u>(1,108)</u>
Cash and cash equivalents	<u>178,581</u>	<u>169,084</u>

At 31 December 2025, other than the cash and bank balances denominated in HKD amounted to RMB4,993,000 (2024: RMB5,241,000) and in USD amounted to RMB18,918,000 (2024: RMB23,068,000), the remaining cash and bank balances are denominated in RMB. The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.01%–2.92% (2024: 0.1% to 1.15%) per annum. The bank balances are deposited with creditworthy banks with no recent history of default.

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27. TRADE PAYABLES

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

	2025 RMB'000	2024 RMB'000
Within 3 months	22,975	34,233
3 to 12 months	2,743	10,720
Over 1 year	14,918	10,579
	<u>40,636</u>	<u>55,532</u>

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

28. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
<i>Current portion:</i>			
Due to related parties	34(b)	5,747	9,817
Other borrowings from related parties	34(b)	—	8,686
Payables for purchase of property and equipment		5,906	9,945
Receipts on behalf from community residents	(a)	12,902	17,794
Payroll and social insurance payables		45,312	46,989
Deposits received		27,855	28,176
Other tax payable		25,941	20,447
Other payables and accrued expenses		<u>12,240</u>	<u>12,554</u>
Sub-total		<u>135,903</u>	<u>154,408</u>
<i>Non-current portion:</i>			
Other borrowings from related parties	34(b)	<u>22,771</u>	<u>30,922</u>
Sub-total		<u>22,771</u>	<u>30,922</u>
Total		<u>158,674</u>	<u>185,330</u>

Notes:

- (a) The amounts mainly represent advances received on behalf from property owners and tenants for settlement of utility charges.

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28. OTHER PAYABLES AND ACCRUALS (continued)

(b) An ageing analysis of other borrowings from related parties:

	2025 RMB'000	2024 RMB'000
Within 1 year	—	8,686
1 to 2 years	—	15,940
2 to 5 years	22,771	14,982
	<u>22,771</u>	<u>39,608</u>

29. BANK BORROWINGS

	Notes	2025 RMB'000	2024 RMB'000
Bank borrowings — Unsecured	(b)	52,500	9,000
Bank borrowings — Secured	(a)&(b)	29,700	—
Total	(c)	<u>82,200</u>	<u>9,000</u>
Bank borrowings			
On demand/within 1 year		53,400	9,000
More than 1 year but not more than 3 years		28,800	—
		<u>82,200</u>	<u>9,000</u>

Notes:

- (a) As at 31 December 2025, the bank borrowings of the Group are secured by properties of a third party debtor of the Group, and the properties of the related company of ultimate controlling shareholder of the Group.
- (b) The bank borrowings are guaranteed by a subsidiary of the Company.
- (c) The effective interest rates on the Group's bank borrowings included the fixed rates within the range of 3.35% to 3.4% per annum (31 December 2024: within the range of 3% to 4% per annum).

30. SHARE CAPITAL

	Number of ordinary shares
Authorised:	
Ordinary shares of USD0.0001 each	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>2,000,000,000</u>

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30. SHARE CAPITAL (continued)

	Number of shares	Nominal value RMB'000
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	620,259,200	393

Treasury shares held under the Share Award Scheme

	Note	Number of shares	RMB'000
At 1 January 2024		2,746,571	2,871
Add: shares repurchased during the year		67,005,429	78,941
At 31 December 2024 and 1 January 2025		69,752,000	81,812
Less: shares transferred upon exercise of share options	(a)	(6,450,697)	(7,212)
At 31 December 2025		63,301,303	74,600

Note:

- (a) The decrease during 2025 represents 6,450,697 shares transferred by the trustee upon exercise of share options under the Share Award Scheme.

Details of shares repurchased by the trustee during 2024 are as follows:

Month of share repurchase	Number of shares repurchased	Lowest price paid per share HK\$	Highest price paid per share HK\$	Aggregate price paid HK\$
January 2024	17,838,000	1.12	1.39	23,011,000
February 2024	21,816,000	1.16	1.39	28,688,000
June 2024	16,479,429	1.14	1.28	21,918,000
October 2024	10,872,000	1.21	1.93	13,155,000
Total	67,005,429			86,772,000

During the year ended 31 December 2025, no shares were repurchased by the trustee under the Share Award Scheme.

As at 31 December 2025, the total number of issued ordinary shares of the Company include 63,301,303 shares (2024: 69,752,000 shares) held for the Share Award Scheme by the trustees of the Company, representing approximately 10.21% (2024: 11.25%) of the issued share capital of the Company. Further details of Share Award Scheme are set out in the note 36 to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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31. RESERVES

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity of the consolidated financial statements.

Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the constitutional documents and the Companies Law of the Cayman Islands, the share premium is distributable as dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

Capital reserve

The capital reserve of the Group represents the paid-up capital of the companies now comprising the Group prior to the incorporation of the Company and completion of the Reorganization, and contributions from the then equity holders of the Group's subsidiaries, after elimination of investments in subsidiaries.

Statutory surplus reserve

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

Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 4.17 to the consolidated financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

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32. ACQUISITION OF A SUBSIDIARY

On 19 July 2024, Chengdu Fengzhi Technology Co., Ltd. an indirect wholly-owned subsidiary of the Company entered into the Equity Transfer Agreement with Sichuan Desun Smart Green Operation Enterprise Management Co., Ltd. (“Smart Green”), the common shareholder of the Group, completed the acquisition of 100% of the equity interest of Sichuan Desun Smart Green Real Estate Co., Ltd. (formerly known as Sichuan Desun Green Building Engineering Construction Management Co. Ltd.) (“Green Real Estate”) at a consideration of RMB258,000 by cash (the “Green Real Estate acquisition”).

Green Real Estate is principally engaged in management service. Upon the completion of Green Real Estate acquisition, Green Real Estate becomes indirect wholly-owned subsidiaries of the Company.

A negative goodwill of approximately RMB168,000 was recognised, which is not deductible for tax purposes.

The fair values of the identifiable assets acquired and liabilities assumed of the Green Real Estate as at the date of the acquisition were as follows:

	Notes	RMB'000
Other intangible assets	18	3,748
Trade and other receivables		2,088
Cash and bank balances		13
Prepayments, deposits and other receivables		182
Trade and other payables		(5,575)
Deferred tax liabilities	21	(30)
Total identifiable net assets at fair value		426
Gain on bargain purchase	8	(168)
Fair value of consideration		<u>258</u>
Satisfied by:		
Cash consideration		<u>258</u>

The Group did not incur any transaction costs for this acquisition.

Since the acquisition date, Green Real Estate has contributed RMB8,016,289 and RMB3,868,577 to the Group’s revenue and profit before tax. Had the acquisition occurred on 1 January 2024, Green Real Estate would have contributed revenue and profit before tax of RMB9,981,732 and RMB3,627,632 respectively during the year.

An analysis of the cash flows in respect of the Green Real Estate Acquisition is as follows:

	RMB'000
Cash consideration	(258)
Cash and bank balances acquired	<u>13</u>
Net outflow of cash and cash equivalents from acquisition	<u>(245)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Capital contribution to an associate	2,400	—

34. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions with related parties

Type of transaction	Related party relationship	Notes	2025 RMB'000	2024 RMB'000
Rendering of property management services and value-added services	Ultimate controlling shareholders' associated companies	(i)	40,766	34,918
Purchase of inventories	Key management personnel of the entity	(ii)	—	30,400
Short-term lease payments for office premises	Key management personnel of the entity		2,193	1,267

Notes:

- (i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.
- (ii) The Group acquired the part of the settlement properties totaling RMB51,640,000. As at 31 December 2024, total trade receivables of RMB30,400,000 have been offset and recognised as inventories of the Group during the year. There is no such debt settlement as at 31 December 2025. Further details are set out in the note 17 to consolidated financial statements. This is a non-cash transaction.

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34. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties

In addition to the balances detailed elsewhere in the consolidated financial statements, the Group had the following balances with related parties as at the end of the year:

Due from related parties

	Notes	2025 RMB'000	2024 RMB'000
Trade nature			
— Fellow Entities	(i)	45,764	75,560
Less: impairment	(ii)	(7,799)	(6,472)
		<u>37,965</u>	<u>69,088</u>
Non-trade nature			
— Fellow Entities	(iii)	10,741	11,020
— An associate	(iv)	115,773	—
— Non-controlling shareholder of subsidiaries	(v)	6,266	6,000
Less: impairment		(2,165)	(640)
	24	<u>130,615</u>	<u>16,380</u>
		<u>168,580</u>	<u>85,468</u>
Analysed into:			
— Current portion		168,466	78,376
— Non-current portion		114	7,092
		<u>168,580</u>	<u>85,468</u>

Notes:

- (i) Trade nature amounts due from the ultimate controlling shareholders have control or jointly control and on which they have significant influence on the Company (“Fellow Entities”) represented the outstanding balances receivable in respect of the provision of property management services and property developer related services.
- (ii) The movements in the loss allowance for impairment of trade receivables from Fellow Entities are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	6,472	2,578
Provision for impairment losses	1,327	3,894
At end of year	<u>7,799</u>	<u>6,472</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*(b) Balances with related parties *(continued)**Due from related parties (continued)*Notes: *(continued)*

- (iii) Non-trade amounts due from Fellow Entities mainly included:
- the refundable deposits, which are unsecured and interest free, in respect of non-residential property management contracts;
 - the refundable deposits and earnest money, which are unsecured and interest-free, in respect of the long-term lease agreements under which the Group provides sub-lease services. Further details are given in note 38 to consolidated financial statements; and
 - the prepaid lease payment.
- (iv) The non-trade loan receivable from an associate where represent a loan provided to an associate. Balance of RMB115,773,000 (2024:Nil) is an unsecured loan bearing interest at the rate of 3.5% per annum and was due for repayment on 10 October 2026. The loan to associate was advanced to support its project development.
- (v) The non-trade loan receivable from the non-controlling shareholder of subsidiaries where the shareholder has significant influence over the subsidiary.

Due to related parties

	Notes	2025 RMB'000	2024 RMB'000
Non-trade nature:			
— Fellow Entities	(i)	6,304	9,817
— Non-controlling shareholders	(ii)	22,771	24,626
— Associate	(iii)	—	14,982
		<u>29,075</u>	<u>49,425</u>
Analysed into:			
— Current portion	28	6,304	18,503
— Non-current portion	28	22,771	30,922
		<u>29,075</u>	<u>49,425</u>

Notes:

- (i) The non-trade amounts due to Fellow Entities are unsecured, interest-free and have no fixed terms of repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

34. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties *(continued)*

Due to related parties (continued)

Notes: *(continued)*

- (ii) As at 31 December 2025, the Group had outstanding unsecured other borrowings from non-controlling shareholders of certain subsidiaries of the Company, who are also key management personnel of the Group with a contractual undiscounted amount of approximately RMB22,771,000 (2024: RMB24,626,000), of which RMB9,780,000 (2024:RMB9,780,000) were interest-free and due for repayment on 31 August 2028 and RMB12,991,000 (2024: RMB14,846,000) were with an annual interest rate of 12% and due for repayment between December 2028 and June 2029.

At initial recognition, the Group measured the interest-free loans from the non-controlling shareholders at fair value by discounting the contractual cash flows using a market interest rate of 12% for similar instruments, The difference between the nominal amount and the fair value of the loans amounted to nil in 2025 (2024:RMB425,000) and was accounted for as a capital contribution from the non-controlling shareholders and credited to capital reserve.

- (iii) As at 31 December 2025, the amount due to an associate (2024: RMB14,982,000) was fully settled and repaid during the year.

At initial recognition, the amount due to the associate was measured at fair value by discounting future cash flows using a market rate of 3.4% for a similar borrowing. The difference between the transaction price and the initial fair value was adjustment to the carrying amount of the investment in associate, reflecting the substance of the transaction.

Lease liabilities due to a related party

	2025 RMB	2024 RMB
A fellow entity of the Group	—	159,230

On 29 September 2025, Desun Gaoxin, a fellow entity of the Group and the former landlord of the Yujing Leased Premises, transferred the Yujing Leased Premises to Chengdu Tianfu Industrial City Investment and Operation Co., Ltd. (“Chengdu Tianfu”). Accordingly, Chengdu Tianfu became the landlord of the Yujing Leased Premises, and rental payments under the Yujing Lease Agreements are payable directly to Chengdu Tianfu. No other terms of the Yujing Lease Agreements were changed as a result of the transfer. Chengdu Tianfu and its ultimate beneficial owners are independent third parties to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**(c) Compensation of key management personnel of the Group**

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	3,953	5,102
Equity-settled share option expense, net of reversal (note 36)	1,627	1,234
Pension scheme contributions	460	516
Total compensation paid to key management personnel	6,040	6,852

Further details of directors' and the chief executive's emoluments are included in note 11 to consolidated financial statements.

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**(a) Major non-cash transactions**

- (i) During the year ended 31 December 2025, the Group offset trade receivables of RMB9,255,000 against the fair value of carpark spaces received as recognised as inventories of the Group (note 22).
- (ii) During the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB3,688,000 and RMB3,492,000, respectively, in respect of new lease arrangements for office premises (note 17).

The difference between the additions to right-of-use assets and lease liabilities arose primarily from initial direct costs incurred, and lease payments made at or before the commencement date of the leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities

	Bank loans RMB'000 (note 29)	Lease liabilities RMB'000 (note 17(b))	Amount due to non- controlling shareholders RMB'000 (note 34(b)(ii))	Amount due to an associate RMB'000 (note 34(b)(iii))	Total RMB'000
At 1 January 2025	9,000	247,784	25,076	14,982	296,842
Changes from cash flows:					
Proceeds from the non-controlling shareholders loans	—	—	3,091	—	3,091
Repayment of the non-controlling shareholders loans	—	—	(5,396)	—	(5,396)
Repayment of loan from an associate	—	—	—	(14,982)	(14,982)
Repayments of lease liabilities	—	(13,822)	—	—	(13,822)
New bank loans	75,000	—	—	—	75,000
Repayment of bank loans	(1,800)	—	—	—	(1,800)
Interest paid	(2,338)	(10,731)	(2,442)	(515)	(16,026)
Total changes from financing cash flow	70,862	(24,553)	(4,747)	(15,497)	26,065
Other changes:					
New lease liabilities	—	3,492	—	—	3,492
Interest expenses	2,338	10,731	2,442	515	16,026
Total other changes	2,338	14,223	2,442	515	19,518
At 31 December 2025	82,200	237,454	22,771	—	342,425

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

	Bank loans RMB'000 (note 29)	Lease liabilities RMB'000 (note 17(b))	Amount due to non- controlling shareholders RMB'000 (note 34(b)(ii))	Amount due to an associate RMB'000 (note 34(b)(iii))	Total RMB'000
At 1 January 2024	10,000	256,723	24,887	—	291,610
Changes from cash flows:					
Proceeds from the non-controlling shareholders loans	—	—	229	—	229
Repayment of the non-controlling shareholders loans	—	—	(490)	—	(490)
Proceeds loan from an associate	—	—	—	16,162	16,162
Repayment of loan from an associate	—	—	—	(1,180)	(1,180)
Repayments of lease liabilities	—	(8,939)	—	—	(8,939)
Repayment of bank loans	(1,000)	—	—	—	(1,000)
Interest paid	(380)	(10,904)	(3,004)	(452)	(14,740)
Total changes from financing cash flow	(1,380)	(19,843)	(3,265)	14,530	(9,958)
Other changes:					
Interest expenses	380	10,904	3,454	452	15,190
At 31 December 2024	9,000	247,784	25,076	14,982	296,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36. SHARE BASED PAYMENTS

Share Award Scheme

On 22 December 2023, the Company adopted a new share option scheme (the “Share Award Scheme”) for the purpose of providing incentives to directors, senior management and other employees who contribute to the success of the Group. The Share Award Scheme became effective on 22 December 2023 and, unless otherwise cancelled or amended, will remain in force until 22 December 2033.

Upon the vesting of each tranche of share option, which was incorporated into the measurement of fair value.

On 20 May 2024 and 14 July 2025, the Company amended and restated the Share Award Scheme. The maximum number of share options permitted to be granted under the Share Award Scheme is an amount equivalent to 12% of the issued share capital of the Company as at the adoption date.

On 22 December 2023, the Company granted a total of 18,607,776 equity-settled share options to ten directors and/or senior management (“Eligible Persons”) of the Group under the Share Award Scheme at a nominal consideration of HKD1 in total by each of the grantees. The exercise price of the share options was fixed at HKD0.546 per share. There are two senior management forfeited 2,481,037 share options during the period of 2024.

On 14 July 2025 and 21 July 2025, the Company granted a total of 19,380,000 and 33,338,921 equity-settled share options respectively under the Share Award Scheme. The grants were made to thirteen directors and/or senior management and employees of the Group (the “Eligible Persons”), with each grantee paying a nominal consideration of HKD1. The exercise prices were fixed at HKD0.598 and HKD0.782 per share respectively.

Subject to fulfilment of the relevant performance conditions:

- The share options granted on 22 December 2023 and 14 July 2025 shall vest in three tranches of 40%, 30% and 30% on the first, second and third anniversaries of the grant date, respectively.
- The share options granted on 21 July 2025 shall vest in three tranches of 40%, 40% and 20% on the first, second and third anniversaries of the grant date, respectively.

Upon vesting of each tranche, the shares underlying the exercised options are subject to a mandatory lock-up period of two years.

The exercise period of the share options granted commences on the date when they become vested and ends on 22 December 2033.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36. SHARE BASED PAYMENTS (continued)

Share Award Scheme (continued)

The following share options were outstanding under the Share Award Scheme during the year:

	2025		2024	
	Weighted average exercise price HKD	Number	Weighted average exercise price HKD	Number
At 1 January	0.546	16,126,739	0.546	18,607,776
Granted during the year	0.714	52,718,921	—	—
Forfeited during the year	—	—	0.546	(2,481,037)
Exercised during the year	0.546	(6,450,697)	—	—
At 31 December	0.688	62,394,963	0.546	16,126,739
Exercisable at the end of the year		4,838,021		6,450,695

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of share options	Exercise price per share HKD	Fair value per share HKD	Exercise period
4,838,021	0.546	0.618	22 December 2025 or after to 22 December 2033
4,838,021	0.546	0.602	22 December 2026 or after to 22 December 2033
7,752,000	0.598	0.734	31 March 2027 or after to 31 March 2033
5,814,000	0.598	0.797	31 March 2028 or after to 31 March 2033
5,814,000	0.598	0.838	31 March 2029 or after to 31 March 2033
13,335,568	0.782	0.533	31 March 2027 or after to 31 March 2033
13,335,568	0.782	0.587	31 March 2028 or after to 31 March 2033
6,667,785	0.782	0.704	31 March 2029 or after to 31 March 2033
<u>62,394,963</u>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

36. SHARE BASED PAYMENTS *(continued)*

Share Award Scheme (continued)

Share option expense

As at 22 December 2023, the fair value of the share options was HKD9,966,325 (HKD0.630, HKD0.618, HKD0.602 each per tranche), approximately RMB9,357,383, of which the Group recognised a share option expense of RMB2,354,989 (2024: RMB2,005,000) during the year ended 31 December 2025.

As at 14 July 2025, the fair value of the share options was HKD15,188,836 (HKD0.734, HK0.797, HKD0.838), approximately RMB13,832,777, of which the Group recognised a share option expense of RMB2,661,514 (2024:Nil) during the year ended 31 December 2025.

As at 21 July 2025, the fair value of the share options was HKD19,630,901 (HKD0.533, HKD0.587, HKD0.704), approximately RMB17,888,658, of which the Group recognised a share option expense of RMB2,564,842 (2024:Nil) during the year ended 31 December 2025.

Total share option expense of RMB7,581,000 (2024: RMB2,005,000) of which the Group recognised during the year.

Exercise of share option

The subscription rights attaching to 6,450,697 share options under the Share Award Scheme were exercised at the subscription price of HKD0.546 (at approximately of RMB0.504) per share on 16 May 2025, resulting in the decrease of RMB7,212,000 in treasury shares and total cash consideration of RMB3,250,000. An amount of RMB1,887,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

In 2023, the fair value of equity-settled share options granted was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted.

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36. SHARE BASED PAYMENTS *(continued)**Share Award Scheme (continued)**Exercise of share option (continued)*

The following table lists the inputs to the model used:

	2024	
Dividend yield (%)	4.58%	
Historical volatility (%)	56.81%	
Risk-free interest rate (%)	3.07%	
Expected life of options (year)	10.00	
Weighted average share price (HKD per share)	1.09	
	14 July 2025	21 July 2025
At grant date		
Discount for Lock-up Period (%)	17.88%	17.86%
Historical volatility (%)		
– Batch 1	46.34%	39.88%
– Batch 2	58.78%	44.26%
– Batch 3	57.24%	58.86%
Risk-free interest rate (%)		
– Batch 1	1.87%	1.81%
– Batch 2	1.98%	1.91%
– Batch 3	2.05%	1.99%
Weighted average share price (HKD per share)	1.60	1.59

The expected life of the options is based on the terms of the option. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Upon the vesting of each tranche of the Share Award Scheme, a mandatory lock-up period of two years shall be respectively in effect, which was also incorporated into the measurement of fair value.

At 31 December 2025, the Company had 62,394,963 (2024: 16,126,739) share options outstanding under the Share Award Scheme. The Share Award Scheme was contemplated and adopted to be funded solely by the treasury shares and will not involve the issue of new shares, further details are disclosed in note 31 to the consolidated financial statements.

At the date of approval of these consolidated financial statements, the Company had 62,394,963 (2024: 16,126,739) share options outstanding under the Share Award Scheme, which represented approximately 10.06% (2024: 2.6%) of the Company's shares in issue as at that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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37. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2025 RMB'000	2024 RMB'000
Financial assets		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	178,581	169,084
Financial assets included in prepayments, deposits and other receivables	174,236	43,717
Trade receivables	169,322	189,646
Restricted deposits	2,421	1,108
	<u>524,560</u>	<u>403,555</u>
<i>Financial assets at FVTPL</i>	<u>4,433</u>	—
	<u><u>528,993</u></u>	<u><u>403,555</u></u>
	2025 RMB'000	2024 RMB'000
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
Trade payables	40,636	55,532
Financial liabilities included in other payables and accruals	46,664	71,924
Bank borrowings	82,200	9,000
Dividend payable	—	225
	<u>169,500</u>	<u>136,681</u>
<i>Financial instruments</i>		
Lease liabilities	<u>237,454</u>	<u>247,784</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayments, deposits and other receivables, other assets and restricted deposits and financial liabilities included in trade payables, other payables and accruals, bank loans and dividend payable are approximate to their carrying amounts.

The fair value of the non-current portion of other payables and accruals has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for the non-current portion of other payables and accruals as at 31 December 2025 were assessed to be insignificant.

The directors of the Company considered that the carrying amounts of the non-current financial assets approximate its fair value as the impact of discounting is immaterial.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, other receivables, trade payables, other payables and accruals, amounts due from related parties and amounts due to related parties, which arise directly from its operations.

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

Foreign currency risk

The Group has currency exposures from its bank balances dominated in USD.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the HKD and USD exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets).

At 31 December 2025

	Increase/ (decrease) in HKD/USD rate %	Increase/ (decrease) in profit before tax RMB'000
If RMB strengthens against HKD	10%	(499)
If RMB weakens against HKD	(10%)	499
If RMB strengthens against USD	10%	(1,892)
If RMB weakens against USD	(10%)	1,892

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk *(continued)*

At 31 December 2024

	Increase/ (decrease) in HKD/USD rate %	Increase/ (decrease) in profit before tax RMB'000
If RMB strengthens against HKD	10%	(524)
If RMB weakens against HKD	(10%)	524
If RMB strengthens against USD	10%	(2,307)
If RMB weakens against USD	(10%)	2,307

Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligation. It is the Group's policy that receivable balances are monitored on an ongoing basis and the Group's maximum exposure to credit risk is arising from the carrying amounts of cash and cash equivalents, financial assets included in prepayments, deposits and other receivables, trade receivables and restricted deposits.

Maximum exposure and year-end staging

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

As at 31 December 2025 and 2024, substantially all of the bank deposits were deposited with major financial institutions incorporated in Chinese Mainland/Hong Kong, which management believes are of high credit quality without significant credit risk. These financial assets were not yet past due and their credit exposure is classified as stage 1.

As at 31 December 2025 and 2024, the Group classified financial assets included in deposits and other receivables as stage 1 when the credit quality is considered to be "normal" as they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

At 31 December 2025

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1	Stage 2	Stage 3	Simplified	
	RMB'000	RMB'000	RMB'000	approach RMB'000	
Cash and cash equivalents	178,581	—	—	—	178,581
Financial assets included in deposits and other receivables					
— Normal**	171,469	—	—	—	171,469
— Doubtful**	—	—	4,082	—	4,082
Trade receivables*	—	—	—	190,032	190,032
Restricted deposits	2,421	—	—	—	2,421
	<u>352,471</u>	<u>—</u>	<u>4,082</u>	<u>190,032</u>	<u>546,585</u>

At 31 December 2024

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1	Stage 2	Stage 3	Simplified	
	RMB'000	RMB'000	RMB'000	approach RMB'000	
Cash and cash equivalents	169,084	—	—	—	169,084
Financial assets included in deposits and other receivables					
— Normal**	46,338	—	—	—	46,338
— Doubtful**	—	—	5,343	—	5,343
Trade receivables*	—	—	—	203,292	203,292
Restricted deposits	1,108	—	—	—	1,108
	<u>216,530</u>	<u>—</u>	<u>5,343</u>	<u>203,292</u>	<u>425,165</u>

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 to consolidated financial statements or credit-impaired which are assessed individually.

** The credit quality of the financial assets included in deposits and other receivables is considered to be “normal” when they are not past due, and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful” (note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk (continued)

Maximum exposure and year-end staging (continued)

All of the cash and cash equivalents, financial assets included in deposits and other receivables and trade receivables have no collateral. The Group had no concentration of credit risks in respect of trade receivables due from independent third parties, with exposure spread over a number of customers, who are residents in the residential communities and commercial property developers. However, the Group had a concentration of credit risks as 24.1% (2024: 37.2%) of the Group's trade receivables were due from related parties as at 31 December 2025.

The Group assesses the credit quality of the counterparties by taking into account their financial position, the credit history of failure to make payments on their contractual due date, the existence of forecast changes in market or environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group and other factors. Management also regularly reviews the recoverability of these receivables and follows up on disputes or amounts overdue, if any.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the year. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. It considers available reasonable and supportable forward-looking information.

Financial guarantee

During the year ended 31 December 2025, the Group issued a financial guarantee in favour of a bank in respect of banking facilities granted to Chengdu Bangtai Jincheng Real Estate Co., Ltd. (成都邦泰錦宸置業有限公司), an associate of the Group. The maximum exposure of the Group under the guarantee as at 31 December 2025 was RMB150,000,000 (2024: Nil).

The financial guarantee contract is accounted for in accordance with IFRS 9. Management assessed both the fair value of the guarantee at initial recognition and the expected credit losses as at 31 December 2025, taking into account the financial position of the associate the probability of default and the likelihood of the guarantee being called. Based on this assessment, the related amount was considered immaterial and accordingly no liability was recognised in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	At 31 December 2025					
	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	40,636	—	—	—	—	40,636
Other payable and accruals	17,987	3,937	1,969	22,771	—	46,664
Bank borrowings	40,400	—	13,000	28,800	—	82,200
Lease liabilities	—	6,390	22,827	147,208	141,728	318,153
	<u>99,023</u>	<u>10,327</u>	<u>37,796</u>	<u>198,779</u>	<u>141,728</u>	<u>487,653</u>
Financial guarantee contract						
— Maximum amount guaranteed	<u>150,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>150,000</u>

	At 31 December 2024					
	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	55,532	—	—	—	—	55,532
Other payable and accruals	34,799	3,637	2,566	31,621	—	72,623
Bank borrowings	9,000	—	—	—	—	9,000
Lease liabilities	—	6,176	19,126	106,660	185,128	317,090
	<u>99,331</u>	<u>9,813</u>	<u>21,692</u>	<u>138,281</u>	<u>185,128</u>	<u>454,245</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowing. Interests charged on the Group's loan from bank borrowing are at variable rates which are linked up to the relevant bank interest rate. The Group currently does not have a policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances and bank borrowing. The analysis is prepared assuming that the amounts of assets and liabilities outstanding at the end of each of the reporting period were outstanding for the whole year. 50 basis points and 100 basis points increase or decrease represent management's assessment of the reasonably possible change in interest rates of bank balances and bank borrowing, respectively.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the exposures at the end of the reporting period do not reflect the exposures during the year.

If interest rates on bank balances had been 50 basis points higher/lower and all other variables were held constant, the potential effect on the Group's post-tax profit for the years ended 31 December 2025 and 2024 is as follows:

	2025 RMB'000	2024 RMB'000
Decrease/(increase) in profit for the year		
– as a result of the increase in interest rate	893	845
– as a result of the decrease in interest rate	<u>(893)</u>	<u>(845)</u>

If interest rates on bank borrowings had been 100 basis points higher/lower and all other variables were held constant, the potential effect on the Group's post-tax profit for the years ended 31 December 2025 and 2024 is as follows:

	2025 RMB'000	2024 RMB'000
Decrease/(increase) in profit for the year		
– as a result of the increase in interest rate	822	90
– as a result of the decrease in interest rate	<u>(822)</u>	<u>(90)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

The debt-to-asset ratios as at the end of the year were as follows:

	2025 RMB'000	2024 RMB'000
Total liabilities	606,831	560,725
Total assets	932,445	843,827
Debt-to-asset ratio	65%	67%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the year is as follows:

	2025 RMB'000	2024 RMB'000
Non-current asset		
Investments in subsidiaries	3,886	4,878
Current assets		
Due from subsidiaries	37,646	37,308
Prepayments, deposits and other receivables	37	38
Cash and cash equivalents	18,651	18,255
Total current assets	56,334	55,601
Current liabilities		
Other payable	3,343	5,311
Dividend payable	—	225
Total current liabilities	3,343	5,536
Net current assets	52,991	50,065
Total assets less current liabilities	56,877	54,943
Net assets	56,877	54,943
Equity		
Issued capital	393	393
Treasury shares	(74,600)	(81,812)
Reserves (note)	131,084	136,362
Total equity	56,877	54,943

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

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

	Share premium RMB'000	Share option reserve RMB'000	Retained Profits RMB'000	Total RMB'000
At 1 January 2024	117,220	137	15,225	132,582
Profit and total comprehensive Income for the year	—	—	1,775	1,775
Equity-settled share option arrangements (note 36)	—	2,005	—	2,005
At 31 December 2024 and 1 January 2025	117,220	2,142	17,000	136,362
Loss and total comprehensive income for the year	—	—	(8,897)	(8,897)
Exercise of share options	(2,075)	(1,887)	—	(3,962)
Equity-settled share option arrangements (note 36)	—	7,581	—	7,581
At 31 December 2025	115,145	7,836	8,103	131,084

41. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

FIVE-YEAR FINANCIAL SUMMARY

	Year ended 31 December				2025 RMB'000
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	
REVENUE	253,296	267,270	339,937	453,512	488,373
Cost of sales	(149,866)	(172,599)	(248,708)	(353,684)	(382,709)
Gross profit	<u>103,430</u>	<u>94,671</u>	<u>91,229</u>	<u>99,828</u>	<u>105,664</u>
PROFIT BEFORE TAX	40,308	37,008	45,952	44,282	48,218
Income tax expense	(7,365)	(3,453)	(5,947)	(6,377)	(7,482)
PROFIT FOR THE YEAR	<u>32,943</u>	<u>33,555</u>	<u>40,005</u>	<u>37,905</u>	<u>40,736</u>
OTHER COMPREHENSIVE INCOME	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>22</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	32,943	33,555	40,005	37,905	40,758
Attributable to:					
Owners of the parent	33,440	33,440	39,205	37,014	33,361
Non-controlling interests	<u>(497)</u>	<u>(497)</u>	<u>800</u>	<u>891</u>	<u>7,397</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic	<u>RMB7.33 cents</u>	<u>RMB7.33 cents</u>	<u>RMB6.34 cents</u>	<u>RMB6.51 cents</u>	<u>RMB6.02 cents</u>
Diluted	<u>RMB7.29 cents</u>	<u>RMB7.29 cents</u>	<u>RMB6.31 cents</u>	<u>RMB6.48cents</u>	<u>RMB5.72 cents</u>

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED ASSETS, EQUITY AND LIABILITIES

	As at 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Assets					
Non-current assets	19,909	44,841	403,222	394,849	378,943
Current assets	<u>352,977</u>	<u>405,282</u>	<u>442,063</u>	<u>439,978</u>	<u>553,502</u>
Total assets	<u>372,886</u>	<u>450,123</u>	<u>845,285</u>	<u>834,827</u>	<u>932,445</u>
Equity and Liabilities					
Non-current liabilities	1,568	6,763	273,358	264,326	272,808
Current liabilities	<u>122,075</u>	<u>144,713</u>	<u>259,325</u>	<u>296,399</u>	<u>334,005</u>
Total Liabilities	<u>123,643</u>	<u>151,476</u>	<u>532,683</u>	<u>560,725</u>	<u>606,813</u>
Total equity	<u>249,243</u>	<u>298,647</u>	<u>312,602</u>	<u>274,102</u>	<u>325,632</u>