



和泓服務

HEVOL SERVICES

HEVOL SERVICES GROUP CO. LIMITED
和泓服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 6093

2025

ANNUAL REPORT



A Happy Life With Hevol



CONTENTS

Page

2	Corporate Information
4	Chairman's Statement
8	Management Discussion and Analysis
29	Biography of Directors and Senior Management
34	Corporate Governance Report
55	Environmental, Social and Governance Report
134	Report of the Directors
162	Independent Auditor's Report
169	Consolidated Statement of Profit or Loss and Other Comprehensive Income
170	Consolidated Statement of Financial Position
172	Consolidated Statement of Changes in Equity
174	Consolidated Statement of Cash Flows
177	Notes to the Consolidated Financial Statements
274	Five-Year Financial Summary
277	Particulars of Investment Properties

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Wenhao (*Chief Executive Officer*)
Ms. Hu Hongfang

Non-executive Directors

Mr. Liu Jiang (*Chairman*)
Mr. Zhou Wei

Independent Non-executive Directors

Mr. Qian Hongji
Dr. Li Yongrui
(*resigned on 26 September 2025*)
Mr. Fan Chi Chiu
Dr. Chen Lei

AUDIT COMMITTEE

Mr. Fan Chi Chiu (*Chairman*)
Mr. Qian Hongji
Dr. Chen Lei

REMUNERATION COMMITTEE

Dr. Chen Lei (*Chairman*)
Mr. Qian Hongji
Ms. Hu Hongfang

NOMINATION COMMITTEE

Mr. Qian Hongji (*Chairman*)
Ms. Hu Hongfang
Dr. Chen Lei

COMPANY SECRETARY

Mr. Lee Lap Keung
(Hong Kong Certified Public Accountant)

AUTHORISED REPRESENTATIVES

Mr. Wang Wenhao
Mr. Lee Lap Keung

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

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18 Harbour Road
Wanchai, Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

5th Floor, Zhongkun Plaza,
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the People's Republic of China

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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Hopewell Centre
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Wanchai, Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
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111 Connaught Road Central
Hong Kong

LEGAL ADVISER

As to Hong Kong law:
Han Kun Law Offices LLP
Rooms 4301-10
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Central, Hong Kong

PRINCIPAL BANKERS

China Construction Bank, Beijing Branch,
Zhongguancun South Avenue Sub-branch
China Construction Bank Beijing,
Gucheng Sub-branch

COMPANY WEBSITE

www.hevolwy.com.cn

STOCK CODE

6093

DATE OF LISTING

12 July 2019

Chairman's Statement

Dear shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Hevol Services Group Co. Limited (the "**Company**", together with its subsidiaries, the "**Group**"), I am pleased to present the annual report of the Company for the year ended 31 December 2025 (the "**Reporting Period**").

In 2025, the property management industry faced numerous challenges amidst a complex and volatile market environment. In response to this situation, all employees of the Group united with one heart and mind, consolidated our development foundation through steadfast commitment and forged our path forward with solid actions. We maintained a firm footing amidst changing circumstances and achieved hard-earned development results. During the Reporting Period, the Group steadily expanded newly contracted projects, and further strengthened its competitiveness in core regional markets. Several projects under management completed smart technology upgrades, leading to a steady increase in customer satisfaction and a continuous enhancement of brand influence. Benefiting from its stable development performance, the Group rose to 22nd place in the ranking of China's Top 100 Property Service Enterprises. Looking ahead, the Group will continue to uphold its service concept of "Happy Life With Hevol", further enhance service quality, optimize its market distribution and make innovation in value-added services, thereby continuing on a path of stable and sustainable development.

For the year ended 31 December 2025, the Group achieved revenue of approximately RMB1,356.7 million, representing a decrease of approximately RMB8.4 million or approximately 0.6% compared to approximately RMB1,365.1 million for the same period in 2024. The Group's gross profit was approximately RMB306.3 million, representing a decrease of approximately RMB43.3 million, or approximately 12.4% as compared to approximately RMB349.6 million in the same period in 2024. The loss after tax amounted to approximately RMB48.7 million, as compared to profit after tax of approximately RMB86.6 million over the same period in 2024. The loss attributable to the Company's shareholders amounted to approximately RMB64.7 million, as compared to profit attributable to the shareholders of approximately RMB54.4 million over the same period in 2024. The basic loss per share was approximately RMB11.55 cents.

For the year ended 31 December 2025, the Group managed 355 property services projects in 43 cities in 18 provinces and municipalities directly under the Central Government, with a total gross floor area (“GFA”) under management of approximately 54.6 million sq.m., a decrease of approximately 7.6 million sq.m., or approximately 12.2%, compared with approximately 62.2 million sq.m. by the end of 2024; The total number of projects under contract was 367 with a total contracted GFA of approximately 59.8 million sq.m., a decrease of approximately 10.4 million sq.m. or approximately 14.8% compared with approximately 70.2 million sq.m. by the end of 2024.



STRENGTHENING SERVICE QUALITY THROUGH PARTY BUILDING GUIDANCE AND WARMING THOUSANDS OF HOMES WITH METICULOUS SERVICE

The Group closely aligns with national policy directions on service quality enhancement and community governance, consistently maintains a customer-centric approach and adheres to the baseline of honest practice in contract performance. During the year, guided by Party building, the Group promoted the upgrading of property services, strengthened the development of “Red Property” initiatives, and improved the “three-in-one” management model integrating the community, property management and property owners, transformed the spirit of Party commitment into service momentum, addressed residents’ urgent concerns, diligently resolved various disputes, and reinforced the foundation of livelihood services. We comprehensively implemented a warm service standard system with focus on three main directions of service innovation, enthusiastic assistance and heartwarming care. We provided customized support for different groups, conveyed warmth through rich neighbourhood activities, created tangible and perceptible service products, fully unleashed the emotional value of our services, and delivered a warm living experience for property owners. As the property management industry enters a critical stage of value restructuring, the Group will deepen its commitment to providing warm and caring services under the guidance of Party building, and safeguard the peace and tranquility of communities through meticulous and closed-loop management. By doing so, the Group aims to further enhance the brand of “Pioneering Hevol, Bringing Warmth to Every Home” and contribute to the high-quality development of the property management industry.

UPHOLDING THE THIRD-PARTY ENTRUSTMENT STRATEGY AND FOCUSING ON THE DEVELOPMENT OF HIGH-QUALITY PROJECTS

The Group remains committed to third-party entrustment development strategy, adheres to the approach of regional concentration and contiguous project development, ensures development quality through strategic resolve and consolidates its growth foundation through meticulous cultivation. In terms of regional development, the Group continuously focused on expansion in economically developed regions and high-quality projects, ensuring each project has a solid customer base and long-term value. Regarding business format expansion, the Group successfully entered the university and cultural and sports venue sectors, while continuing to deepen its presence in the government and public institution and other public building markets, securing multiple projects, which demonstrated its professional service capabilities in relevant segments. To broaden market boundaries and consolidate development momentum, the Group also continued to deepen its partner mechanism, making it a key engine for market expansion. By collaborating with quality partners, it leveraged superior resources and deepened collaboration and cooperation, thereby achieving mutual benefits and jointly expanding the market. The Group will continue to uphold its strategic resolve for third-party entrustment with focus on meticulous cultivation in the non-residential sector and precise efforts in the quality residential sector, and use project quality as the core benchmark and business format breakthroughs as the growth driver to push market expansion efforts towards higher quality and more sustainable development.



FOCUSING ON PROPERTY OWNERS' CORE NEEDS TO METICULOUSLY BUILD AN ECOSYSTEM OF COMMUNITY VALUE-ADDED SERVICES

The Group deeply recognizes that value-added services are key to enhancing property owners' well-being and creating a new community ecosystem. During the year, centering on property owners' needs, the Group conducted in-depth research into property owners' living habits and core demands, precisely addressed their practical requirements in areas such as convenient group buying, home maintenance, neighbour interaction and living facilities, and established a distinctive service system, which was widely recognized by property owners and enhanced their satisfaction. In addition, the Group increased support for value-added services, with the management team working on the front lines to facilitate business development and ensure the efficient delivery of various value-added services and provide solid support for high-quality business operations. The Group will remain steadfastly committed to prioritizing property owners' needs, continuously deepen frontline empowerment initiatives, optimize its business network, and persistently upgrade community value-added services. This will not only provide property owners with more excellent and thoughtful services but also carve out new growth paths for the Group amidst fierce market competition, aiding the Group in achieving high-quality and sustainable development.

CREATING A NEW PARADIGM FOR SMART SERVICES AND DEEPENING AI TECHNOLOGY APPLICATION

Currently, the transformations brought by AI technology are sweeping across all industries. The Group is proactively seizing this trend by actively exploring the in-depth integration of AI technology with community services. During the year, smart benchmark projects were carried out, achieving unmanned equipment inspections and security patrols in certain projects. The Group explored intelligent solutions for sanitation and customer services, driving the evolution of service models toward smarter iterations. In the future, the Group will continue to deepen the integration and innovation of AI and property services, closely adhere to the goals of "risk control, experience optimization, cost reduction and efficiency enhancement", and continuously explore new scenarios and models for technology application. By empowering services with technology and leading development with innovation, we strive to build new communities with smart services, and provide property owners with smarter, more efficient and more attentive living experiences while injecting sustained technological momentum into the Group's high-quality development.

Finally, on behalf of the Board, I would like to extend my gratitude to all shareholders, business partners, property owners, customers and suppliers for their long-term support and trust to the Group, and also the management and all staff for their hard work and contribution to the Group.

Liu Jiang

Chairman of the Board of Directors

Hong Kong, 27 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

The Group is a renowned market player in the property management industry in China, and has been engaged in property management services for nearly 24 years. Leveraging on its comprehensive strength in property management services, the Group has been honoured as one of the “2025 China’s Top 100 Property Service Enterprises” by the China Index Academy for several consecutive years, with its overall ranking rising from 24th in 2024 to 22nd in 2025. In addition, during the year, the Group won multiple awards such as “2025 China Property Service Enterprise with Distinctive Characteristics – Red Property”, “2025 Top 100 Most Influential Property Service Brands in China”, “2025 Leading Property Service Quality Brand in China”, “2025 Leading Property Value-added Service Operation Enterprise in China” and “2025 Leading Smart Property Service Enterprise in China”.



As of 31 December 2025, the Group provided property management services, community value-added services and value-added services to non-property owners in 43 cities in 18 provinces and municipalities in China. The total number of projects under management amounted to 355, with a total GFA of approximately 54.6 million sq.m., representing a decrease of approximately 7.6 million sq.m. or approximately 12.2% as compared to approximately 62.2 million sq.m. in the same period of 2024. The total number of projects under contract was 367 with a total contracted GFA of approximately 59.8 million sq.m., representing a decrease of approximately 10.4 million sq.m. or approximately 14.8% as compared to approximately 70.2 million sq.m. in the same period of 2024.

As of 31 December 2025, the Group recorded revenue of approximately RMB1,356.7 million, representing a decrease of approximately RMB8.4 million or approximately 0.6% as compared to approximately RMB1,365.1 million in the same period of 2024; gross profit of approximately RMB306.3 million, representing a decrease of approximately RMB43.3 million or approximately 12.4% as compared to approximately RMB349.6 million in the same period of 2024. The Group recorded loss after tax for the year ended 31 December 2025 of approximately RMB48.7 million, as compared to profit after tax of approximately RMB86.6 million in the same period of 2024.

PROPERTY MANAGEMENT SERVICES

Property Management Services

The Group provides a range of property management services for property owners and residents as well as property developers, including security, cleaning, greening, gardening services as well as repair and maintenance services. The Group's property management portfolio focuses on serving residential communities and also involves other types of properties, such as commercial properties and government offices, schools, hospitals and other professional services projects.

By adhering to the policy direction of "enhancing property service quality" and centering on the industry's mission to "serve the people, facilitate their lives, and ensure their well-being", the Group actively explores the "property services + lifestyle services" model to elevate grassroots governance effectiveness. During the year, the Group has intensified efforts across multiple fronts, focusing on upgrading "two points and one line" touchpoints to establish a standardized control system for all scenarios of community services. Quality analysis meetings were held regularly to strengthen special control over key service links, safeguarding the homes of property owners through standardized services. Meanwhile, staying true to its commitment to heartfelt service, the Group integrated human-centered care throughout its service processes, focused on residents' high-frequency needs and the specific demands of vulnerable groups, and built a comprehensive community service matrix for all ages while fostering neighborhood connections. It prioritized talent development by cultivating versatile service teams guided by the principle of "one specialty and multiple skills", established a professional training instructor team, and implemented a three-tier assessment system to strengthen the talent foundation. In addition, the Group advanced its digital transformation by empowering traditional service scenarios with intelligent tools, and established a human-machine collaborative service model that converts technological advancements into tangible service conveniences for property owners. The Group will closely follow national policies on livelihood security and community governance, continuously upgrade our service systems, and strive to create high-quality, attentive and convenient service experiences for our clients. Together with all property owners, we will build a better home filled with greater happiness and a stronger sense of belonging.

Management Discussion and Analysis



As of 31 December 2025, the revenue from property management services amounted to approximately RMB1,091.4 million, representing an increase of approximately RMB13.5 million or approximately 1.3% as compared to approximately RMB1,077.9 million in the same period in 2024. For the year ended 31 December 2025, the Group's revenue generated from property management services accounted for approximately 80.4% of the Group's total revenue for the period.

As the Group's strategic focus, expansion of third-party entrustment achieved progress during the year across three dimensions of project quality, business format breakthroughs and regional development. The Group strictly implemented project screening criteria, resolutely preventing the implementation of loss-making projects. Meanwhile, it proactively phased out existing low-quality projects that were loss-making or had no prospect of returning to profitability. Through dynamic adjustment, the Group continuously optimized its portfolio of projects under management, laying a solid foundation for high-quality development. Breakthroughs in business format expansion were achieved on multiple fronts, with successful entry into the university and cultural and sports venue sectors. In addition, the Group continued to deepen its presence in traditional advantageous sectors such as judiciary, communications, healthcare, tourism, finance and other government public buildings and public institution markets, further solidifying its professional reputation in the non-residential market. For residential segment, the Group focused on quality projects in economically developed regions, stabilizing the resilience of its core business. Furthermore, the Group deepened its partner mechanism, integrating high-quality external resources to achieve win-win cooperation. The Group continuously strengthened the professional and systematic development of its marketing team, maintained strategic resolve amidst industry fluctuations and fierce competition, and built core competitive barriers with professional capabilities and service quality, thereby solidifying the foundation for the development of third-party entrustment.

On 31 December 2025, the Group managed 355 property services projects across 43 cities in 18 provinces and municipalities in China, with a total contracted GFA of about 54.6 million sq.m., a decrease of about 7.6 million sq.m. or about 12.2% compared with about 62.2 million sq.m. in the same period in 2024, mainly covering six regions in China, namely Northern China, Northeastern China, Eastern China, Central China, Southwestern China and Southern China.

Geographical Coverage

The table below sets out the breakdowns of (i) revenue from property management services and (ii) GFA under management classified by geographic regions which the Group provides property management services for the periods indicated:

	31 December 2025				31 December 2024			
	Revenue generated from property management services		GFA under management		Revenue generated from property management services		GFA under management	
	RMB'000	%	'000 sq.m.	%	RMB'000	%	'000 sq.m.	%
Northern China ⁽¹⁾	150,268	13.8	6,167	11.3	140,932	13.1	6,751	10.8
Northeastern China ⁽²⁾	40,151	3.7	2,423	4.4	38,333	3.6	2,606	4.2
Eastern China ⁽³⁾	199,719	18.3	8,880	16.2	221,772	20.6	15,536	25.0
Central China ⁽⁴⁾	22,471	2.1	2,490	4.6	22,059	2.0	1,484	2.4
Southwestern China ⁽⁵⁾	564,738	51.7	31,394	57.5	555,363	51.5	30,838	49.6
Southern China ⁽⁶⁾	114,092	10.4	3,294	6.0	99,436	9.2	4,982	8.0
Total	1,091,439	100.0	54,647	100.0	1,077,895	100.0	62,197	100.0

Notes:

- (1) "Northern China" includes Beijing, Tianjin, Tangshan and Hohhot.
- (2) "Northeastern China" includes Harbin, Shenyang, Panjin and Dandong.
- (3) "Eastern China" includes Shanghai, Kunshan, Changshu, Hangzhou, Jiaxing, Taizhou and Jinan.
- (4) "Central China" includes Changsha, Yiyang, Yueyang, Huaihua, Wuhan, Zaoyang and Chibi.
- (5) "Southwestern China" includes Chongqing, Chengdu, Neijiang, Meishan, Guiyang, Zunyi, Qiannanzhou, Honghezhou and Zhaotong.
- (6) "Southern China" includes Guangzhou, Shenzhen, Zhongshan, Jiangmen, Dongguan, Huizhou, Zhuhai, Haikou, Sanya, Lingshui, Wenchang and Ledong.

Management Discussion and Analysis

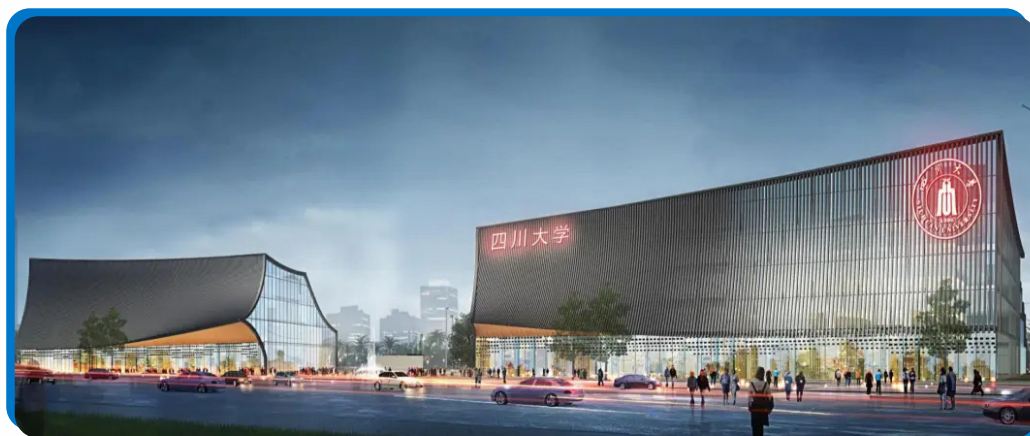
As at 31 December 2025, the Group's property management projects have expanded to 43 cities in 18 provinces and municipalities in China. The following diagram illustrates the geographical coverage of the Group's properties under management:



Management Discussion and Analysis

The Group managed a diverse portfolio of property management, comprising primarily residential properties and, to a lesser extent, non-residential properties. Non-residential properties include commercial properties and other types of professional service projects. The table below sets out the breakdowns of its: (i) revenue generated from property management services by type of properties, and (ii) total GFA under management by type of properties for the periods indicated:

	31 December 2025				31 December 2024			
	Revenue generated from property management services		GFA under management		Revenue generated from property management services		GFA under management	
	RMB'000	%	'000 sq.m.	%	RMB'000	%	'000 sq.m.	%
Residential properties	910,929	83.5	48,674	89.1	939,070	87.1	56,463	90.8
Non-residential properties	180,511	16.5	5,973	10.9	138,825	12.9	5,734	9.2
Total	1,091,439	100.0	54,647	100.0	1,077,895	100.0	62,197	100.0



Management Discussion and Analysis

Community value-added services

As an extension of the Group's property management services business, the Group provides community value-added services to property owners and residents according to their needs. The Group's community value-added services help to satisfy the needs of property owners and residents for quality life, enhance customer experience, as well as to create a more comfortable and convenient living community. The community value-added services, mainly includes home-living services, real estate brokerage, housing decoration and renovation services, bulk purchases for community, online community business platform, parking space rental, and public facilities rental.

During the year, the Group continued to deepen its value-added service framework, and precisely focused on two core directions of home life services and vehicle services to comprehensively upgrade its service offerings. Home life services address property owners' essential needs, covering full-spectrum solutions including asset management, home repairs and maintenance, on-demand home services, daily necessities supply and in-home elderly care, effectively meeting everyday household requirements. Vehicle services revolve around ensuring property owners' mobility, with deep cultivation in key areas such as new energy vehicle charging, routine vehicle maintenance and standardized parking management, thereby enhancing the travel experience for property owners through convenient services. Guided by property owners' genuine needs, the Group meticulously identified and streamlined underperforming businesses to build an efficient and practical home life service system, thereby putting the service concept of "Happy Life With Hevol" into practice, allowing owners to enjoy a convenient, worry-free and warm quality of life.

As of 31 December 2025, the Group's revenue from community value-added services reached approximately RMB244.9 million, representing a decrease of approximately RMB13.1 million, or approximately 5.1% as compared to approximately RMB258.0 million in the same period in 2024. For the year ended 31 December 2025, the Group's revenue generated from community value-added services accounted for approximately 18.1% of the Group's total revenue for the period.

Value-added services to non-property owners

Revolving around the needs of property developers, the Group mainly provides site services and diverse property management services for property developers, and provides full-cycle and full-process services before property sales and delivery. Leveraging the Group's professional service standards in the property management industry, property developers are comprehensively aided in enhancing their brand value.

As of 31 December 2025, the Group's revenue from value-added services to non-property owners amounted to approximately RMB20.4 million, representing a decrease of approximately RMB8.8 million as compared to approximately RMB29.2 million over the same period in 2024. For the year ended 31 December 2025, the Group's revenue generated from value-added services to non-property owners accounted for approximately 1.5% of the Group's total revenue for the period.

PROSPECT

The Group prioritizes building the brand of "Pioneering Hevol, Bringing Warmth to Every Home", steadfastly upholding its service ethos to drive high-quality development. In terms of service quality, guided by Party-building initiatives, the Group will provide heartfelt service and further refine its offerings across various service scenarios to comprehensively enhance property owners' sense of well-being. For business development, the Group will focus on economically developed regions and high-quality projects, deepen collaboration with partners to actively expand our premium projects, thereby achieving resource complementarity and mutual benefits. In the value-added services sector, the Group will prioritize the core needs of property owners, and facilitate innovation and upgrades in convenience facilities and lifestyle services to meet property owners' demands for high-quality and diverse services. The Group will explore the integration of smart technologies, and combine AI tools and smart upgrades to create more efficient and high-quality service models, paving the way for the Group's development in a new era.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group derived revenue from: (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners. Overall revenue decreased by approximately RMB8.4 million, or approximately 0.6% from approximately RMB1,365.1 million in 2024 to approximately RMB1,356.7 million in 2025. Such decrease was primarily attributable to the Group's intensification of market expansion efforts to secure new high-quality property management projects and the divestment of loss-making property management projects. As a result, the Group's total GFA under management decreased by 7.6 million sq.m., or approximately 12.2% from approximately 62.2 million sq.m. in 2024 to approximately 54.6 million sq.m. in 2025, the number of projects under management decreased from 394 to 355. Despite an increase in revenue from property management services by approximately RMB13.5 million or approximately 1.3% due to high-quality projects, the revenue from public utility services has declined amid the market and economic downturn, resulting in a decrease in revenue from community value-added services by approximately RMB13.1 million, or approximately 5.1%. Meanwhile, due to the impact of the domestic real estate market, the sales assistance services and ancillary property management services provided to Hevol Real Estate Group Limited (和泓置地集團有限公司) and its subsidiaries ("**Hevol Real Estate Group**") and other property developers decreased, resulting in a decrease in value-added service income from non-property owners of approximately RMB8.8 million.

The following table sets out a breakdown of the Group's total revenue by business segment for the years indicated:

	Year ended 31 December					
	2025		2024		Change	
	RMB'000	%	RMB'000	%	RMB'000	%
Property management services	1,091,439	80.4	1,077,895	79.0	13,544	1.26
Community value-added services (including rental income)	244,920	18.1	257,961	18.9	(13,041)	(5.06)
Value-added services to non-property owners	20,355	1.5	29,212	2.1	(8,857)	(30.32)
Total	1,356,714	100.0	1,365,068	100.0	(8,354)	(0.61)

Property management services

Property management services primarily include providing security, cleaning, greening and gardening and repair and maintenance services to residential, commercial and other types of properties. Revenue increased by approximately RMB13.5 million, or approximately 1.3%, from approximately RMB1,077.9 million in 2024 to approximately RMB1,091.4 million in 2025. Such increase was primarily attributable to the Group's intensification of market expansion efforts to secure new high-quality property management projects, but the growth was limited due to the divestment of loss-making property management projects. The Group's total GFA under management decreased by approximately 7.6 million sq.m., or approximately 12.2% from approximately 62.2 million sq.m. in 2024 to approximately 54.6 million sq.m. in 2025, and the number of projects under management decreased from 394 to 355.

Community value-added services

Revenue from community value-added services decreased by approximately RMB13.1 million or approximately 5.1% from approximately RMB258.0 million in 2024 to approximately RMB244.9 million in 2025. Such decrease was primarily attributable to the Group's emphasis on community value-added services that property owners need, while revenue from public utility services declined amid the economic downturn.

Value-added services to non-property owners

The Group provides a wide range of value-added services to non-property owners including sales site services, sales assistance services and ancillary property management services. Revenue from value-added services to non-property owners decreased by approximately RMB8.8 million from approximately RMB29.2 million in 2024 to approximately RMB20.4 million in 2025. The decrease was mainly due to a further decrease of revenue from sales assistance services and ancillary property management services to Hevol Real Estate Group and other property developers resulted from impact of domestic real estate market.

Management Discussion and Analysis

Cost of Sales

Cost of sales of the Group primarily comprises staff costs, sub-contracting costs, utility expenses, repairs and maintenance costs, cost of providing ancillary property management services, material costs and sales taxes. Cost of sales increased by approximately RMB35.0 million or approximately 3.4% from approximately RMB1,015.5 million in 2024 to approximately RMB1,050.5 million in 2025. Such increase was mainly attributable to: (i) increase in the number of property services projects in the public construction category resulted in the outsourcing of certain services (such as greening and security) to other service providers, which increased the subcontracting costs by approximately RMB10.4 million; (ii) increase in the cost of community value-added services, mainly due to an increase of approximately RMB17.1 million in home improvement and decoration services, sharing of public area income, staff salaries and benefits and other expenses; and (iii) the increase of repairs and maintenance expenses by approximately RMB2.0 million from approximately RMB302.6 million in 2024 to approximately RMB304.6 million in 2025 resulted from an increasing costs of repairs and maintenances incurred for certain older public facilities in the residential communities. The growth rate of cost of sales was slightly higher than the growth rate of revenue, primarily due to the Group's increased investment in the preliminary stages of new property management projects to increase market share in key regions.

Gross Profit and Gross Profit Margin

The table below sets forth the Group's gross profit and gross profit margin by business segment for the years indicated:

	Year ended 31 December					
	2025		2024		Change	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	RMB'000	%
Property management services	213,275	19.5	238,760	22.2	(25,485)	(10.7)
Community value-added services (including rental income)	88,931	36.3	105,051	40.7	(16,120)	(15.3)
Value-added services to non-property owners	4,051	19.9	5,796	19.8	(1,745)	(30.1)
Total	306,257	22.6	349,607	25.6	(43,350)	(12.4)

Overall gross profit of the Group decreased by approximately RMB43.3 million, or approximately 12.4% from approximately RMB349.6 million in 2024 to approximately RMB306.3 million in 2025. The decrease in gross profit was primarily attributable to the Group's investment in the preliminary stages of new property service projects to increase market share in key regions, as well as the lower gross profit margins of public building projects. Overall gross profit margin of the Group decreased by approximately 3.0% from approximately 25.6% for the corresponding period in 2024 to approximately 22.6% in 2025.

Property management services

Gross profit for the Group's property management services decreased by approximately RMB25.5 million, or approximately 10.7% from approximately RMB238.8 million in 2024 to approximately RMB213.3 million in 2025. The decrease in gross profit was primarily attributable to the Group's increased investment in the preliminary stages of new property management projects to increase market share in key regions, as well as the lower gross profit margins of public building projects. Gross profit margin of property management services decreased from approximately 22.2% in 2024 to approximately 19.5% in 2025.

Community value-added services

Gross profit for the Group's community value-added services decreased by approximately RMB16.2 million, or approximately 15.4% from approximately RMB105.1 million in 2024 to approximately RMB88.9 million in 2025, gross profit margin of community value-added services decreased from approximately 40.7% in 2024 to approximately 36.3% in 2025. The decrease in gross profit and gross profit margin was mainly due to the decrease in the Group's revenue from public utility services.

Value-added services to non-property owners

Gross profit of value-added services to non-property owners of the Group decreased by approximately RMB1.7 million from approximately RMB5.8 million in 2024 to approximately RMB4.1 million in 2025. The decrease in gross profit was attributable to a decrease of sales assistance services and ancillary property management services provided to Hevol Real Estate Group and other property developers resulting from impact of real estate market in the PRC. Gross profit margin of value-added services to non-property owners was 19.9%, remaining largely consistent with 2024.

Management Discussion and Analysis

Other Income and gains and losses

Other income of the Group decreased by approximately RMB42.2 million from approximately RMB11.0 million in 2024 to a loss of approximately RMB31.2 million in 2025, which was mainly due to the one-off loss of RMB28.9 million from the disposal of subsidiaries, the decrease in bad debt recovery of approximately RMB6.5 million, goodwill impairment of RMB4.8 million related to an acquired subsidiary, and impairment of investment property of RMB3.6 million.

Administrative Expenses

Administrative expenses of the Group mainly include staff costs, travelling and entertainment, professional fees, telecommunication, utilities, depreciation and amortization. Administrative expenses of the Group decreased by approximately RMB5.8 million, or approximately 2.8% from approximately RMB206.1 million in 2024 to approximately RMB200.3 million in 2025, primarily due to the fact that the Group replaced physical meetings with remote video conferences, thereby reducing meeting and travel expenses; during the year, the Group also controlled expenditures on business entertainment and clothing.

ECL allowance on trade and other receivables

The ECL allowance on trade and other receivables increased by approximately RMB68.8 million from approximately RMB43.1 million in 2024 to approximately RMB111.9 million in 2025. The Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors, and considered making individual assessment on the recoverability of trade receivables from related parties. In 2025, the Group recorded an ECL allowance of RMB38.9 million on trade receivables due from related parties (2024: RMB7.9 million). The significant increase was mainly driven by the weakening credit profile of certain related-party customers during the year. In particular, these debtors were involved in ongoing litigation and experienced financial difficulties, which adversely affected their ability to settle outstanding balances in a timely manner. In response to these developments, management reassessed the recoverability of these related-party trade receivables in accordance with the IFRS 9 ECL framework. Based on individual assessments performed for the affected debtors, management determined that there had been a significant increase in credit risk and a corresponding decline in expected recoverability, resulting in a higher ECL allowance being recognised. Impairment of other receivables from third parties (excluding prepayments and advances to employees) are assessed collectively and individually and measured as either 12-month ECL or lifetime ECL. The increase in the ECL allowance on trade and other receivables was primarily driven by (i) the increased trade receivables; (ii) certain upward adjustments of ECL rates based on the collection profile for sales in the past 36 months as well as the corresponding historical credit losses during that period; and (iii) the current and forwarding-looking macroeconomic factors mainly including current situation in the domestic real estate sector and the economic downturn of domestic market, affecting the customer's ability to settle the amount outstanding.

Income Tax Expenses

Income tax expenses of the Group decreased by approximately RMB14.4 million, or approximately 67.7% from approximately RMB21.3 million in 2024 to approximately RMB6.9 million in 2025, primarily due to the inclusion of tax effect on non-taxable income and utilisation of tax losses previously not recognised.

Profit for the Year

Profit for the year of the Group decreased by approximately RMB135.3 million from approximately RMB86.6 million in 2024 to a loss of approximately RMB48.7 million in 2025, primarily due to (i) a reduction in gross profit resulting from the Group's investment in the preliminary stages of new property management projects to increase market share in key regions, as well as the lower gross profit margins of public building projects; (ii) an increase in credit impairment provisions made on trade and other receivables; (iii) losses including a one-off loss on disposal of subsidiaries; and (iv) the impairment of goodwill of Chongqing Xinlongxin, an acquired subsidiary.

Intangible Assets

Intangible assets decreased from approximately RMB92.2 million as at 31 December 2024 to approximately RMB67.7 million as at 31 December 2025. The decrease was mainly due to decrease from disposal of subsidiaries of RMB10.7 million during the year and amortisation and depreciation for the year with aggregate amount of approximately RMB13.8 million.

Investment Properties

Investment properties which consisted of certain car parking spaces and shop premises, decreased from approximately RMB78.9 million as at 31 December 2024 to approximately RMB74.3 million as at 31 December 2025 mainly due to investment property additions for the year of approximately RMB20.9 million, set off by transfer of investment properties to fixed assets for owner-occupied use, impairment on certain investment properties and depreciation with aggregate amount of approximately RMB25.5 million.

Goodwill

Goodwill slightly decreased from approximately RMB460.5 million as at 31 December 2024 to approximately RMB415.6 million as at 31 December 2025, such decrease was mainly due to the decrease in goodwill from disposal of Jiangsu Shenhua and Zhongshan Zhongzheng of RMB40.1 million and the impairment of goodwill of the acquired Chongqing Xinlongxin of RMB4.8 million.

Management Discussion and Analysis

Other Receivables

Other receivables represented deposits paid for certain projects which to be completed and repaid over one year.

Trade and Other Receivables

Trade and other receivables include trade receivables, prepayments and other receivables. Trade receivables are mainly related to property management services as well as value-added services. Trade receivables of the Group decreased from approximately RMB452.7 million as at 31 December 2024 to approximately RMB387.0 million as at 31 December 2025, primarily due to the increase in credit impairment provisions made on trade receivables. Other receivables mainly consist of deposits, prepayment and other receivables and payment on behalf of property owners. Other receivables increased from approximately RMB278.5 million as at 31 December 2024 to approximately RMB306.2 million as at 31 December 2025, mainly due to (i) an increase of approximately RMB13.9 million in deposits paid to property developers, owners' committees or other third parties at the inception of property management service contracts; (ii) payments made on behalf of owners of RMB5.3 million; (iii) an increase of RMB4.1 million in advances to employees; (iv) an increase of RMB4.0 million in prepayments; and (v) the effect of credit impairment provisions on other receivables. The Group seeks to strengthen strict control over its outstanding receivables, performs ongoing credit evaluation of its customers and makes frequent contact with customers to encourage regular payment of management fees.

Contract Liabilities

The Group's contract liabilities mainly arise from advance payments made by customers while the underlying property management services are yet to be provided. Contract liabilities of the Group decreased from approximately RMB381.4 million as at 31 December 2024 to approximately RMB367.4 million as at 31 December 2025, primarily due to the decrease in number of property service projects under management from 394 in 2024 to 355 in 2025.

Trade and Other Payables

Trade payables of the Group increased from approximately RMB137.3 million as at 31 December 2024 to approximately RMB149.2 million as at 31 December 2025, primarily due to a slightly increasing materials and utilities expenses payable by the Group to its suppliers. Other payables mainly consist of accrued staff costs, accrued charges and other payables and collected amounts on behalf of property owner committees and property owners. The other payables of the Group increased slightly from approximately RMB307.9 million as at 31 December 2024 to approximately RMB332.0 million as at 31 December 2025. The total other payables remained largely consistent, with the increase in accrued charges and other payables and consideration payable, being offset by the decrease in collected amounts on behalf of property owners and accrued staff costs.

Liquidity, Capital Structure and Financial Resources

The Group's cash and cash equivalents are denominated in RMB and HKD. Bank balances and cash decreased from approximately RMB273.7 million as at 31 December 2024 to approximately RMB239.5 million as at 31 December 2025, primarily due to the consideration of approximately RMB19.4 million paid for the subsequent acquisition of 30% equity interest in Guiyang Xinglong Property Management Co., Ltd.* (貴陽興隆物業管理有限公司) ("**Guiyang Xinglong**"), and the increase in payment of deposits to property developers or owners' committees or other third parties at the beginning of entering into contracts for property management services. The Group's net current assets decreased to a level that was substantially in line with its current liabilities. As at 31 December 2025, the Group's current ratio was approximately 1.00 times (31 December 2024: 1.13 times), maintaining solid financial position. The Group has borrowings of approximately RMB102.2 million as at 31 December 2025 (2024: approximately RMB82.9 million) which certain of the Group's investment properties of approximately RMB37.2 million were pledged for borrowings of RMB22.4 million. As at 31 December 2025, 100% (31 December 2024: 100%) of the Group's borrowings were on fixed interest rates.

Asset Charges

As at 31 December 2025, certain investment properties of the Group of RMB37.2 million (2024: RMB36.5 million) were pledged for bank borrowing of RMB22.4 million (2024: RMB21.5 million). Certain trade receivables of the Group of RMB70.0 million (2024: RMB70.0 million) were pledged for bank borrowings of RMB29.5 million (2024: RMB35.5 million). The paid-in capital of RMB7.0 million of Guiyang Xinglong, a subsidiary of the Group, was pledged for bank borrowings of RMB15.0 million (2024: Nil).

Management Discussion and Analysis

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 9 May 2025, Beijing Hongsheng Investment Limited* (北京泓升投資有限責任公司) (being an indirect wholly-owned subsidiary of the Company) ("**Beijing Hongsheng**") (as the vendor) entered into a sale and purchase agreement with Jingjiang Zhihui Network Technology Co. Ltd.* (靖江智匯網絡科技有限公司) ("**Jingjiang Zhihui**") (as the purchaser) and Jiangsu Shenhua Times Property Group Co., Ltd.* (江蘇深華時代物業集團有限公司) ("**Jiangsu Shenhua**") (as the target company), pursuant to which Beijing Hongsheng agreed to sell, and Jingjiang Zhihui agreed to acquire, a total of 51% equity interest of Jiangsu Shenhua at a total consideration of RMB30,500,000. For details, please refer to the announcements of the Company dated 9 May 2025 and 20 May 2025. The said disposal was completed on 28 May 2025.

On 11 June 2025, Hehong Furuiying (Guizhou) Information Consultancy Limited* (和泓福瑞盈 (貴州) 信息諮詢有限公司) (being an indirect wholly-owned subsidiary of the Company) ("**Hehong Furuiying**") (as the purchaser) entered into a sale and purchase agreement with Mr. Qu Peijun* (屈培軍先生) (the "**Seller**") and Guiyang Xinglong (as the target company), pursuant to which the Seller agreed to sell, and Hehong Furuiying agreed to acquire, a total of 30% equity interest of Guiyang Xinglong at a total consideration of RMB60,189,700. For details, please refer to the announcement of the Company dated 11 June 2025. The said acquisition was completed on 26 June 2025.

On 14 November 2025, Hehong Furuiying (as the vendor) entered into a sale and purchase agreement with Zhongshan Furun Property Service Co., Ltd.* (中山市福潤物業服務有限公司) ("**Zhongshan Furun**") (as the purchaser) and Zhongshan Zhongzheng Property Management Co., Ltd.* (中山市中正物業管理有限公司) ("**Zhongshan Zhongzheng**") (as the target company), pursuant to which Hehong Furuiying agreed to sell, and Zhongshan Furun agreed to acquire, a total of 51% equity interest of Zhongshan Zhongzheng at a total consideration of RMB7,877,400. For details, please refer to the announcement of the Company dated 14 November 2025. The said disposal was completed on 15 December 2025.

Save as disclosed above, during the Reporting Period, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates and joint ventures.

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

As of 31 December 2025, the Group did not hold any significant investment. The Group has no future plan for material investments or capital assets as at the date of this announcement.

Gearing Ratio

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest-bearing debt less cash and cash equivalents. As at 31 December 2025 and 2024, the gearing ratio of the Group maintained at net cash position.

Contingent Liabilities

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

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. The Board closely monitors the Group's liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

Foreign Exchange Risk

The Group's exposures to currency risk mainly arise from its bank balance of RMB234.3 million (2024: RMB267.0 million) denominated in RMB placed with banks in the Mainland China. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group does not hedge its foreign currency risk. However, management monitors the foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Management Discussion and Analysis

Employees and Remuneration Policies

The Group had 3,911 employees as at 31 December 2025 (31 December 2024: 4,951 employees). For the year ended 31 December 2025, the Group's total staff costs were approximately RMB419.9 million (2024: RMB425.8 million). The remuneration package of the employees included salary, bonus and other cash subsidies. Employees were rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group was subject to social insurance contribution plans or other pension schemes prescribed by the local governments and was required to pay on behalf of the employees, a monthly social insurance fund covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, the housing provident fund, or other mandatory provident fund schemes on behalf of the employees. The Group hosted comprehensive internal staff training programmes for its staff to improve and enhance their technical and service skills, as well as to provide them with the knowledge of industry quality standards and work place safety standards. The Group provided orientation training to new hires and introduce them to the Group's corporate culture to understand its service standards and procedures. The Group also provided training courses and regular seminars on various aspects of its business operations, such as quality control and customer relationship management, to the Group's employees. The Group had also adopted a share option scheme, details of which are set out in note 26 to the consolidated financial statements in this report.

Share Option Scheme

On 14 June 2019 (the "**Adoption Date**"), the Company adopted a share option scheme (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to provide selected participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives: (i) motivate the selected participants to optimise their performance efficiency for the benefit of our Group; and (ii) attract and retain or otherwise maintain an on-going business relationship with the selected participants whose contributions are or will be beneficial to the long-term growth of our Group.

According to the terms of the Share Option Scheme, the participants of the Share Option Scheme include (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries; (ii) any Directors (including independent non-executive Directors) of our Company or any of its subsidiaries; and (iii) any advisors, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to our Company or any of its subsidiaries. Notwithstanding the above, following the amendment of Chapter 17 of the Listing Rules, Share grants may only be made to eligible participants as defined in the amended Chapter 17 after 1 January 2023, being the effective date of such amendment.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue immediately following completion of the capitalisation issue (as defined in the Company's prospectus dated 27 June 2019 (the "**Prospectus**")) and the global offering (as defined in the Prospectus), being 40,000,000 shares (representing approximately 7.14% of the issued shares as at the date of this annual report), excluding for this purpose shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company) at the beginning and the end of the year ended 31 December 2025. No service provider sublimit was set under the Share Option Scheme. The maximum number of shares issued and which may fall to be issued upon exercise of the share options granted to each participant (including both exercised and outstanding share options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period is limited to 1% of the shares in issue at the date of grant, unless otherwise separately approved by shareholders in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. Upon acceptance of the option, the grantee shall pay HK\$1.0 to the Company by way of consideration for the grant. An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.0 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to the terms of grant of an option, an option may be exercised at any time after the date upon which the option is deemed to be granted and accepted in accordance with the vesting schedule. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. A grantee may be required to achieve any performance targets as our Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised. The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of: (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of our shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

Management Discussion and Analysis

The Share Option Scheme is valid and effective for a period of 10 years commencing on the Adoption Date unless terminated earlier by the shareholders in general meeting. As of 31 December 2025, the remaining life of the Share Option Scheme was approximately three years and five and a half months.

No option of the Company was granted to the Company's employees and other eligible participants since the Adoption Date and up to 31 December 2025.

Further details of the principal terms of the Share Option Scheme are set out in "Appendix V – Statutory and General Information – D. Share Option Scheme" of the Prospectus.

Biography of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Wang Wenhao (王文浩), aged 47, was appointed as executive Director, general manager and Chief Executive Officer of the Company on 13 February 2019. Mr. Wang is responsible for overseeing the daily operations of the Group.

Mr. Wang has over 23 years' of experience in property management. Prior to joining the Group, from May 2002 to May 2005, Mr. Wang served as assistant to the director of management department and customer service manager of Shenzhen Jindi Property Management Co., Ltd. (深圳市金地物業管理有限公司). From June 2005 to May 2007, Mr. Wang worked as a project manager of Beijing Angang Property Services Limited Company (北京安港物業服務有限公司) and was mainly responsible for providing pre-project property services as well as formulating project management plans and operation manuals. Mr. Wang was general manager of Beijing Hevol Property Services Company Limited (北京和泓物業服務有限公司) ("**Beijing Hevol Property Services**") from May 2007 to April 2018. From September 2015 to April 2018, Mr. Wang also served as a director and the director of the strategic development department of Beijing Hongsheng Investment Co., Ltd. (北京泓升投資有限責任公司).

Mr. Wang obtained a bachelor's degree in administrative management from The Open University of China (國家開放大學) in China in July 2019. Mr. Wang was accredited by China State Construction Engineering Corporation (中國建築工程總公司) as an electrical engineer in June 2011.

Ms. Hu Hongfang (胡洪芳), aged 58, was appointed as Director on 9 August 2018 and was redesignated as executive Director and appointed as Chief Financial Officer of the Company on 13 February 2019. Ms. Hu is responsible for the overall strategic planning, business development and financial management of the Group. She was appointed as a member of the remuneration committee and a member of nomination committee of the Board on 30 June 2025 and 26 September 2025 respectively.

Prior to joining the Group, Ms. Hu served as assistant accountant of the Xuzhou West Station of the Jinan Bureau of the Ministry of Railways (鐵道部濟南局徐州鐵路西站) from August 1992 to March 2003. She was the manager of the finance department and accountant of the Xuzhou Railway Advertisement and Decoration Information Networks Co. Ltd. (徐州鐵路廣告裝飾信息網絡有限公司) from April 2003 to November 2005. From December 2005 to May 2007, Ms. Hu served as the deputy general manager and chief financial officer of Chongqing Qishan Shiye Co., Ltd. (重慶祺山實業有限公司). From June 2007 to March 2022, Ms. Hu served as the executive director and general manager of Chongqing Hevol Property Services Company Limited (重慶和泓物業服務有限公司).

Ms. Hu obtained a bachelor's degree in accounting from East China Jiaotong University (華東交通大學) in China in July 1991. Ms. Hu was accredited as an accountant by Ministry of Finance of the PRC in May 1996.

Biography of Directors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. Liu Jiang (劉江), aged 58, is the founder of the Group. He was appointed as Director on 28 May 2018 and was redesignated as non-executive Director and the Chairman of the Board on 13 February 2019. Mr. Liu is responsible for the provision of guidance for the overall development of the Group.

Mr. Liu has over 31 years' of experience in property development and management. From February 1995 to March 2001, Mr. Liu worked in Beijing Longyang Real Estate Development Co., Ltd. (北京龍洋房地產開發有限公司) as deputy general manager. Mr. Liu has been serving as the chairman of Hevol Holding Group Limited (和泓控股集團有限公司) ("**Hevol Investment**") since March 2001. Mr. Liu is also the founder and controlling shareholder of Hevol Real Estate Group.

Mr. Liu obtained a bachelor's degree in accounting from East China Jiao Tong University (華東交通大學) in China in July 1991.

Mr. Zhou Wei (周煒), aged 52, was appointed as non-executive Director on 13 February 2019. Mr. Zhou is responsible for the provision of guidance for the overall development of the Group.

Prior to joining Hevol Real Estate Group in 2003, Mr. Zhou took up different positions in different design and architecture institution or companies. Mr. Zhou served as the general manager in the research and development centre of Hevol Real Estate from August 2003 to September 2015. Mr. Zhou served as the director of Beijing Hongsheng from September 2015 to April 2019 and served as the vice president of Hevol Real Estate from April 2018 to January 2021.

Mr. Zhou obtained a bachelor's degree in architecture from the North China University of Technology (北方工業大學) in China in July 1995.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qian Hongji (錢紅驥), aged 50, was appointed as an independent non-executive Director on 14 June 2019. He is responsible for supervising and providing independent judgement to the Board. He is a member of the audit committee and remuneration committee of the Board. He was appointed as a chairman of the nomination committee of the Board on 26 September 2025.

From May 1999 to May 2004, Mr. Qian was a lawyer and a partner of Beijing Fenglian Licheng Law Firm (北京豐聯立成律師事務所). From May 2005 to present, Mr. Qian has worked at Beijing Dacheng Law Firm (北京大成律師事務所) as senior partner and global director.

Mr. Qian has been an independent non-executive director of China Biotech Services Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 8037), since March 2018.

Mr. Qian obtained a bachelor's degree in law from China Youth University of Political Studies (中國青年政治學院) in China in July 1998 and a master's degree in law from Peking University in China in January 2009. Mr. Qian is a practising lawyer in the PRC.

Mr. Fan Chi Chiu (范智超), aged 40, was appointed as an independent non-executive Director on 14 June 2019. He is responsible for supervising and providing independent judgement to the Board. He is the chairman of the audit committee.

Mr. Fan has over 17 years' of experience in accounting and corporate finance. Mr. Fan worked as a senior auditor of PricewaterhouseCoopers from October 2007 to June 2011 and an analyst in Barclays Investment Bank from July 2011 to February 2014. Mr. Fan was a finance director of Vantasia Holdings (H.K.) Limited from April 2014 to March 2015. Mr. Fan joined ELL Environment Holdings Limited, the shares of which are listed on the Stock Exchange (stock code 1395), in April 2015 as the financial controller and was the chief financial officer from June 2015 to September 2021. He was an executive director of Grace Wine Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 8146), from July 2017 to September 2021. He has been acting as a Chief Investment Officer of AB Builders Group Limited, the shares of which are listed on the Stock Exchange (stock code: 1615), from November 2021 to June 2025. He has also been acting as an independent non-executive director of (a) Shinelong Automotive Lightweight Application Limited, the shares of which are listed on the Stock Exchange (stock code: 1930), since June 2019; (b) Weihai City Commercial Bank Co., Ltd., the shares of which are listed on the Stock Exchange (stock code: 9677), since June 2020; and (c) Xuanzhu Biopharmaceutical Co., Ltd., the shares of which are listed on the Stock Exchange (stock code: 2575), since October 2025.

Mr. Fan obtained his bachelor's degree in professional accountancy from the Chinese University of Hong Kong in December 2007. Mr. Fan was accredited as a certified public accountant by the Hong Kong Institute of Certified Public Accountants in January 2011.

Biography of Directors and Senior Management

Dr. Chen Lei (陳磊), aged 53, was appointed as an independent non-executive Director on 14 June 2019. He is responsible for supervising and providing independent judgement to the Board. He is a member of the audit committee and the remuneration committee. He was appointed as a member of the Nomination Committee and the chairman of the Remuneration Committee on 26 September 2025.

Dr. Chen has over 16 years' of experience in accounting and management studies. He has been teaching at the Guanghua School of Management of Peking University since July 2008 and he is currently an associate professor of Accounting at the Guanghua School of Management, Peking University. Dr. Chen also serves as an associate editor for China Management Accounting Review (中國管理會計).

Dr. Chen has been an independent non-executive director of (a) Daqin Railway Co., Ltd. (大秦鐵路股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 601006), since May 2017; and (b) Dong Yi Ri Sheng Home Decoration Group Co., Ltd. (東易日盛家居裝飾集團股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002713), since August 2017. He acted as an independent non-executive director of (a) Beijing Dabeinong Technology Group Co., Ltd. (北京大北農科技集團有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002385), from December 2013 to February 2020; (b) HuaDian Heavy Industries Co., Ltd. (華電重工股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 601226), from June 2017 to February 2020; and (c) Dawning Information Industry Co., Ltd. (曙光信息產業股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 603019), since May 2015 to May 2021.

Dr. Chen obtained his bachelor's degree in international finance from Tsinghua University in China in July 1996. He also obtained his master's degree in business from Indiana University in the United States in September 1999 and doctor of philosophy in management science from the University of Texas at Dallas in August 2004. Dr. Chen was awarded the completion certificate for training in senior management of listed companies by the Shenzhen Stock Exchange in May 2012.

SENIOR MANAGEMENT

Mr. Li Pengfei (李鵬飛), aged 51, was appointed as deputy general manager of the Company on 13 July 2021. Mr. Li is responsible for the daily operation and market development of the Group.

Prior to joining the Group, Mr. Li served as a director of marketing planning division of Hevol Real Estate Group from September 2003 to July 2015. From July 2015 to December 2019, Mr. Li worked as the President of Beijing Shequbanjing Information Technology Co., Ltd.* (北京社區半徑信息技術有限公司). From January 2020 to March 2022, Mr. Li served as the general manager of the Group's companies in Shanghai region.

Mr. Li obtained a bachelor's degree in industrial and civil architecture from Beijing Institute of Civil Engineering and Architecture in July 1996. Mr. Li also obtained his Executive Master of Business Administration in Northwest University in China in December 2017.

Mr. Wang Wenhao and Ms. Hu Hongfang, executive Directors of our Company, are also members of our senior management team. See their biographies in the paragraph headed "Executive Directors".

COMPANY SECRETARY

Mr. Lee Lap Keung (李立強), aged 43, was appointed as company secretary of the Company on 13 February 2019.

Mr. Lee worked at BDO Limited from September 2008 to February 2011 and his last position was senior auditor. From February 2011 to January 2012, Mr. Lee worked at Ernst & Young and his last position was senior auditor. Mr. Lee worked as an auditor at Mazars CPA Limited from March 2012 to May 2015 and his last position was assistant manager. From February 2017 to May 2017, Mr. Lee served as a compliance officer at Jimei Securities Limited. From June 2015 to August 2017, Mr. Lee worked at Starlight Culture Entertainment Group Limited, the shares of which are listed on the Stock Exchange (stock code: 1159), as a senior internal audit manager. Mr. Lee had been serving as an independent non-executive director of Palinda Group Holdings Limited (百利達集團控股有限公司), the shares of which are listed on the Stock Exchange (Stock code: 8179), since 22 February 2019 to 8 September 2022. Mr. Lee has been serving as company secretary of Pengo Holdings Group Limited (鵬高控股集團有限公司), the shares of which are listed on the Stock Exchange (stock code: 1865), since 5 September 2023. Mr. Lee has been serving as company secretary of Zhong Jia Guo Xin Holdings Company Limited (中加國信控股股份有限公司), the shares of which are listed on the Stock Exchange (stock code: 0899), since 10 February 2026.

Mr. Lee obtained his bachelor's degree in accounting from the City University of Hong Kong in November 2008. Mr. Lee qualified as a Hong Kong Certified Public Accountant by the Hong Kong Institute of Certified Public Accountants in July 2012.

Corporate Governance Report

The board of Directors of Hevol Services Group Co. Limited 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 shareholders of the Company (the “**Shareholders**”), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

During the year ended 31 December 2025, the Company has adopted and complied with the principles and code provisions (“**Code Provision(s)**”) set out in the Corporate Governance Code (“**CG Code**”) in Appendix C1 to the Listing Rules.

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 whether the Directors have complied with the required standard as set out in the Model Code for the year ended 31 December 2025 and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the said period. No non-compliance event was found during the above period.

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs. The Board is fully responsible for the formulation of business policies and strategies in relation to the business operation of the Group, including dividend policy and risk management strategies. The management is delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group.

During the year ended 31 December 2025, the Company arranged for appropriate cover on Directors' and senior management' liability insurance policy to indemnify the Directors and senior management for liabilities arising from the corporate activities. The coverage and the amount insured under such policy are reviewed annually by the Company. No legal actions were made against any of the Directors in relation to their duties performed for the Company during the year.

BOARD COMPOSITION

As at 31 December 2025, the Board comprised seven Directors, consisting of two executive Directors, two non-executive Directors and three independent non-executive Directors.

During the year ended 31 December 2025, the Board comprises the following Directors:

Executive Directors

Mr. Wang Wenhao (*Chief Executive Officer*)
Ms. Hu Hongfang

Non-executive Directors

Mr. Liu Jiang (*Chairman*)
Mr. Zhou Wei

Independent Non-executive Directors

Mr. Fan Chi Chiu
Dr. Li Yongrui (resigned on 26 September 2025)
Mr. Qian Hongji
Dr. Chen Lei

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/relevant relationships) among the Directors and senior management of the Company.

During the year ended 31 December 2025, 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).

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.

Pursuant to Code Provision B.1.3, the Board established mechanism(s) to ensure independent views and input are available to the Board, in particular, (i) independent non-executive Directors are encouraged to actively participate in the Board meetings; (ii) to discourage the re-election of long-serving independent non-executive Directors; (iii) the number of independent non-executive Directors must comply with the requirement under the Listing Rules; and (iv) the independent non-executive Directors shall devote sufficient time to discharge their duties as a Director. Furthermore, the Directors may access external independent professional advice to assist their performance of duties at the expense of the Company. The Board will review the implementation and effectiveness of such mechanism(s) on an annual basis.

For the year ended 31 December 2025, the company secretary of the Company confirmed that he had received not less than 15 hours of relevant professional training to update his knowledge and skills.

Independent Non-Executive Directors

The independent non-executive Directors play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decision. They bring an impartial view on the Company's strategies, performance and control.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board.

The Board also considers that the independent non-executive Directors can provide independent advice on the Company's business strategies, results and management so as to safeguard the interests of the Company and the Shareholders.

The Company has received an annual confirmation of independence from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

TRAINING AND SUPPORT FOR DIRECTORS

According to Code Provision C.1.4, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The Company has established procedures for training and development of Directors. Newly appointed Directors will be provided with comprehensive, formal and tailored induction on the first occasion of his/her appointment and, subsequently, necessary briefing and professional development so as to ensure the Directors have adequate understanding and strengthen their awareness of the business and operation of the Group, their responsibilities and obligations under the statutory and common law, the Listing Rules, laws and other regulatory requirements and governance policies, enable the Directors to discharge their duties properly. The company secretary maintains proper records of training attended by the Directors.

During the year ended 31 December 2025, each of the Directors has complied with Code Provision C.1.4, and the summary of training received by the Directors is as follows:

Directors	Type of trainings⁽¹⁾
Mr. Liu Jiang (<i>Chairman</i>)	A&B
Mr. Wang Wenhao (<i>Chief Executive Officer</i>)	A&B
Ms. Hu Hongfang	A&B
Mr. Zhou Wei	A&B
Dr. Chen Lei	A&B
Dr. Li Yongrui (resigned on 26 September 2025)	A&B
Mr. Fan Chi Chiu	A&B
Mr. Qian Hongji	A&B

Notes:

- (1) A: attending seminars and/or conferences relevant to the Directors' duties and responsibilities or corporate governance.
- B: reading materials relating to Directors' duties and responsibilities or corporate governance or regulatory updates.

BOARD MEETINGS

The Board and board committees (the “**Board Committees**”) meet regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications.

Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend regular meetings and discuss the matters on the agenda.

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 be adequately prepared for the meetings. When any Directors 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 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.

During the year ended 31 December 2025, the Directors have made active contribution to the affairs of the Group and four Board meetings were held to consider, among other things, various transactions contemplated by the Group and to review and approve the interim and annual results of the Group.

The Company’s memorandum and articles of association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at the meetings for approving transactions in which such Directors or any of their associates have a material interest.

As at the date of this annual report, it is considered that the Directors are well acknowledged to the business and the operation of the Group.

ATTENDANCE RECORDS OF THE DIRECTORS

During the year ended 31 December 2025, four Board meetings and one general meeting were held. Information regarding the attendance of Board meetings by individual Directors is as follows:

Name of members of the Board/ the Board Committees	Board meeting	Attendance/Number of meetings held			General meetings
		Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	
Executive Directors:					
Mr. Wang Wenhao (<i>Chief Executive Officer</i>)	6/6	N/A	N/A	N/A	1/1
Ms. Hu Hongfang	6/6	N/A	N/A	1/1	1/1
Non-executive Directors:					
Mr. Liu Jiang (<i>Chairman</i>)	6/6	N/A	N/A	1/1	1/1
Mr. Zhou Wei	6/6	N/A	N/A	N/A	1/1
Independent Non-executive Directors:					
Dr. Chen Lei	6/6	2/2	1/1	N/A	1/1
Dr. Li Yongrui (resigned on 26 September 2025)	5/5	N/A	1/1	2/2	1/1
Mr. Fan Chi Chiu	6/6	2/2	N/A	N/A	1/1
Mr. Qian Hongji	6/6	2/2	1/1	2/2	1/1

Other than regular meetings, the Chairman has also met with non-executive Directors (including independent non-executive Directors) without the presence of executive Directors, to facilitate an open discussion among the non-executive Directors on issues relating to the Group.

Independent non-executive Directors who have no material interest in the transaction would be present at such Board meeting. The Board procedures are in compliance with the articles of associations of the Company (the "**Articles**"), as well as relevant rules and regulations. For the year ended 31 December 2025, there were no significant changes to the Articles.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Liu Jiang (“**Mr. Liu**”) is the Chairman and Mr. Wang Wenhao (“**Mr. Wang**”) is the Chief Executive Officer of the Company. The roles of the Chairman and Chief Executive Officer are segregated. Mr. Liu and Mr. Wang are not connected in any respect. The Chairman provides leadership for the Board and ensures that there is clear division of responsibilities at the Board level. The Chief Executive Officer is responsible for overseeing the day-to-day management of the Company, supervising the businesses of the Group and ensuring that Board Committees work smoothly and effectively.

DELEGATION BY THE BOARD

The Board reserves its right to decide all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company’s expense and are encouraged to access and consult with the Company’s senior management independently.

The daily management, administration and operation of the Group are delegated to the senior 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.

CORPORATE GOVERNANCE FUNCTIONS

The Board recognises that corporate governance should be the collective responsibility of the Directors and their corporate governance functions include:

- (a) to review and monitor the Company’s policies and practices on compliance with laws and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;

Corporate Governance Report

- (c) to develop, review and monitor the code of conduct and compliance manuals applicable to the employees and Directors;
- (d) to develop and review the Company's policies and practices on corporate governance and offer proposals and report relevant matters to the Board;
- (e) to review the Company's compliance with the corporate governance rules and disclosure in its corporate governance reports; and
- (f) to review and monitor the Company's compliance with its whistle-blowing policy.

The corporate governance report has been reviewed by the Board in the discharge of its corporate governance function.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service agreement with the Company with an initial term of three years effective from 12 July 2019 (the "**Listing Date**"). The respective executive Directors or the Company may terminate the contract by serving not less than three months' written notice to the other party.

Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company with a term of three years commencing from the Listing Date. In accordance with their respective letters of appointment, each of the independent non-executive Directors is entitled to receive a fixed amount of director's emoluments while the non-executive Directors shall not receive any remuneration.

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

In accordance with the Articles, one-third of the Directors (or the nearest number but no less than one-third of the Directors, if the number of Directors is not a multiple of three (3) are subject to retirement by rotation at each annual general meeting and each Director shall retire by rotation at least once every three years at an annual general meeting. Any Director newly appointed by the Board to fill a causal vacancy of the Board or serve as a new Director shall submit himself/herself for election by Shareholders at the next general meeting after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition and offering proposals regarding the appointment, re-election and succession plans of Directors to the Board.

BOARD COMMITTEES

As part of good corporate governance, the Board has set up a Remuneration Committee, an Audit Committee and a Nomination Committee for overseeing particular aspects of the Company's affairs. Each Committee has its own specific delegated authorities and operates within defined written terms of reference, which are posted on the websites of the Stock Exchange and the Company. All the Board Committees should report to the Board on their decisions or recommendations made.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Fan Chi Chiu, who acts as the chairman, Dr. Chen Lei and Mr. Qian Hongji.

The duties of the Audit Committee include, inter alia, reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assisting the Board in fulfilling its responsibility over the audit; making recommendations to the Board on the appointment, re-appointment and removal of the external auditor; and reviewing the Company's financial control, risk management and internal control systems. The Audit Committee should meet at least twice a year to discuss and review the financial information, the risk management and internal control systems and relevant matters. The proceedings of the Audit Committee meetings are the same as that of the Board meetings. The terms of reference of the Audit Committee are currently available on the websites of the Stock Exchange and the Company.

During the year ended 31 December 2025, the Audit Committee had reviewed the audit planning memorandums, the draft of the audited consolidated financial statements, of the annual results announcement and of the annual report of the Group for the year ended 31 December 2025, the draft of the unaudited interim consolidated financial statements, of the interim results announcement and of the interim report of the Group for the six months ended 30 June 2025, financial reporting and compliance procedures, compliance and internal control report, risk management and internal control system, the remuneration of external auditors, the adequacy of resources, qualifications and experience of the employees of the Group's accounting and financial reporting function department, and their training plans and budget.

Corporate Governance Report

The Company's annual results announcement and annual report for the year ended 31 December 2025 have been reviewed by the Audit Committee.

The Audit Committee held two meetings for the year ended 31 December 2025 and the attendance of each member is listed under the section headed "Attendance Records of the Directors" above on a named basis.

AUDITOR'S REMUNERATION

During the year ended 31 December 2025, the total fee paid/payable in respect of audit and non-audit services provided by the Group's external auditor, is set out below:

Category of services	Fee paid/ payable RMB'000
Audit services	2,521
Non-audit services	600
Total	3,121

During the year ended 31 December 2025, significant non-audit service assignments included agreed-upon procedures of the Company's interim report, with fee paid amounting to approximately RMB600,000.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three members, including two independent non-executive Directors, namely Dr. Chen Lei, who acts as the chairman, and Mr. Qian Hongji, who acts as the member, and one executive director, namely Ms. Hu Hongfang, who acts as the member.

The responsibilities and authorities of the Remuneration Committee are clearly defined by its terms of reference, which include but not limited to making recommendations to the Board on the remuneration policy and assessing the performance of the executive Directors and the senior management. During the Reporting Period, the Remuneration Committee was primarily responsible for the following duties:

- (i) making recommendations to the Board on the Company's policy and structure for the remuneration of all the Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy;

- (ii) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;
- (iii) making recommendations to the Board on the remuneration packages of executive Directors and senior management, including benefits in kind, pension rights compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (iv) making recommendations to the Board on the remuneration of non-executive Directors;
- (v) considering factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of Directors and senior management, and the employment conditions of the Company and its subsidiaries and consolidated affiliated entities;
- (vi) considering the level of remuneration required to attract and retain Directors to manage the Company successfully;
- (vii) ensuring that no Director or any of his or her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Committee must not be involved in deciding his or her own remuneration;
- (viii) reviewing and approving compensation payments and arrangements to Directors and senior management of the Company for loss or termination of their office or appointment, or dismissal or removal for misconduct and to assess whether the proposed payments or arrangements are fair, not excessive, reasonable, consistent with the relevant contractual terms, or otherwise appropriate;
- (ix) advising shareholders of the Company on how to vote in respect of any service contracts of Directors that require shareholders' approval in accordance with the Listing Rules; and
- (x) reviewing and approving matters relating share schemes under chapter 17 of the Listing Rules.

The Board together with the Remuneration Committee monitors the performance of the executive Directors and the senior management. Such division of responsibilities ensures a balance of power. The Remuneration Committee shall meet at any time when necessary. The terms of reference of the Remuneration Committee are currently available on the websites of the Stock Exchange and the Company.

The Remuneration Committee held one meeting for the year ended 31 December 2025 and the attendance of each member is listed under the section headed "Attendance Records of the Directors" above on a named basis.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2025 are set out in note 11(a) to the consolidated financial statements in this annual report.

Details of the 5 individuals with the highest emoluments (including Directors, senior management and employees of the Group) are set out in note 11(b) to the consolidated financial statements in this annual report.

NOMINATION COMMITTEE

The Nomination Committee currently comprises three members, including two independent non-executive Directors, namely Mr. Qing Hongji, who acts as the chairman, and Dr. Chen Lei, who acts as the member and one executive Director, namely Ms. Hu Hongfang, who acts as the member.

The main duties of the Nomination Committee include, inter alia, reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment and removal of Directors. The terms of reference of the Nomination Committee are currently available on the websites of the Stock Exchange and the Company.

The Nomination Committee held two meetings for the year ended 31 December 2025 and the attendance of each member is listed under the section headed "Attendance Records of the Directors" above on a named basis.

The Nomination Committee was primarily responsible for the following duties:

- (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) developing the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;
- (iii) identifying individuals who are suitably qualified to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;

- (iv) assessing the independence of independent non-executive Directors; and
- (v) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the Chairman and the chief executive of the Company.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity ("**Board Diversity Policy**") in accordance with the requirements of the Listing Rules which sets out the approach to achieve diversity on the Board. The Board Diversity Policy is intended to set out the basic principles to ensure that members of the Board achieve an appropriate balance of skills, experience and perspectives to enhance the effective function of the Board and maintain a high standard of corporate governance.

Nominations and Appointments

All Board nominations and appointments shall be based on the principle of meritocracy, daily business needs and the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee is primarily responsible for identifying persons with suitable qualifications and selecting nominees to serve as Director or to advise the Board on this.

Measurable Objectives

Selection of candidates will be based on a range of diversity and refer to the business model and specific needs of the Company, including but not limited to gender, age, ethnicity, language, cultural background, educational background, industry experience and professional experience. As at December 31, 2025, the Board comprised seven members, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The Directors have balanced experience in overall strategic development, business and risk management as well as finance management. The Board members are of all ages, ranging from 40 to 58. The Board members are of diverse cultural and educational backgrounds, and are comprised of both male and female. After due consideration, the Board believes that the Company's Board has met its measurable objectives and is consistent with the Board Diversity Policy. The Board plans to maintain at least 1 female Board member. The Board may identify and select suitable female Board members or successors from various sources, including but not limited to internal promotion, recommendation from Board members and external recruitment.

Corporate Governance Report

Policy Statement

In order to achieve sustainable and balanced development, the Company regards the increment of diversification in board level as the key element to support its strategic goals and sustainable development. All appointments of the Board are based on the principle of meritocracy and considering the benefits of diversity of the Board.

Gender Diversity in the Workforce

As at December 31, 2025, male employees and female employees accounted for approximately 51.1% and 48.9% of all employees (including senior management) of the Group, respectively. To continue to achieve gender diversity in the workforce, we are committed to creating favourable conditions in our working environment to continue to attract both men and women to join the Group, thereby maintaining our status as a gender-balanced company. During the process, we may face the issue of whether the supply of personnel of a particular gender in the human resources market matches the academic qualifications, experience and skills required for positions within the Group. Despite these challenges, we will endeavour to maintain gender balance in the workforce.

Monitoring and Reporting

The Nomination Committee is responsible for reviewing the Board Diversity Policy, expanding and reviewing measurable objectives to ensure the implementation of the Board Diversity Policy and to monitor progress towards measurable objectives. The Nomination Committee reviews the Board Diversity Policy and measurable objectives from time to time, to ensure the Board continues to be effective. The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the Board Diversity Policy during the year ended 31 December 2025.

NOMINATION POLICY

The Nomination Committee has also adopted a nomination policy (the “**Nomination Policy**”) which sets out the selection criteria and procedure of nominating, appointing and re-appointing a Director. The selection criteria used in assessing the suitability of a candidate include, inter alia, his/her academic background and professional qualifications, relevant industry experience, character and integrity and whether he/she can contribute to the diversity of the Board underpinned in the Board Diversity Policy. The procedure of appointing and re-appointing a Director is summarised as follows:

- nomination and invitation of suitable candidates by any member of the Nomination Committee or the Board;
- evaluation of the candidate by the Board based on all selection criteria as set out in the Nomination Policy and the Board Diversity Policy;
- performing due diligence in respect of each candidate and making recommendation for the Board’s consideration and approval;
- in case of nomination of an independent non-executive Director, assessing the candidate’s independence under the relevant Code Provisions and the Listing Rules;
- where nominating an independent non-executive Director for election at general meetings, having due consideration of matters under Code Provision B.3.4;
- in the context of re-appointment of retiring Directors, reviewing the candidate’s overall contribution and performance and making recommendations to the Board and/or the shareholders for consideration in connection with his/her re-election at general meetings; and
- convening a meeting of the Board to consider the appointment or re-appointment of the candidate as a Director.

DIRECTORS' RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged their responsibilities for preparing the consolidated financial statements of the Company for the year ended 31 December 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual reports and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided necessary explanation and information to the Board to enable it to make an informed assessment of the financial information and position of the Group presented the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

DEED OF NON-COMPETITION

Mr. Liu, the ultimate controlling shareholder of the Company (the "**Controlling Shareholder(s)**"), has entered in the Deed of Non-Competition dated 14 June 2019 in favour of the Company to the effect that he will not, and will procure his respective close associates not to, directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with the business of the Company, further details of which are set out in the paragraph entitled "Deed of Non-Competition" in the Prospectus.

The Company has received the confirmation from Mr. Liu in respect of his compliance with the terms of the non-competition undertaking for the year ended 31 December 2025. The independent non-executive Directors had reviewed the compliance with and enforcement of the terms of the non-competition undertaking by Mr. Liu for the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Company's risk management and internal control systems and for reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Procedures have been designed for safeguarding assets against unauthorised use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publications and the compliance of applicable laws, rules and regulations.

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 Company has developed and adopted risk management procedures and guidelines with defined authority for implementation by key business processes and office functions. The Board, together with the Audit Committee, should collect the information from the management system, include discussions of risk and oversight of the management of those risks into the agenda of Board meetings.

Internal Audit Function

During the year ended 31 December 2025, the Company has an internal control and compliance department to monitor the daily operation of the Group. The Group has also engaged an external internal control consultant to conduct independent review on specific areas of internal control system for the period from 1 January 2025 to 31 December 2025 on the Group and certain subsidiaries. The scope of review was previously determined and approved by the Audit Committee on behalf of the Board. The internal control consultant has submitted its report of findings and recommendations to the management of the Group. The management of the Group has responded and taken necessary actions and formulated plans to remedy the findings. The Audit Committee has reviewed the report prepared by the internal control consultant. In addition, the Company, through the Audit Committee, has also reviewed the adequacy of resources, qualifications and experience of staff of the accounting and finance department and internal audit department, and their training programmes and budget.

The Directors, through the Audit Committee, reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group, at least annually, for the year ended 31 December 2025. After such review, the Board considered that the Company's risk management and internal control system were adequate and effective.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the period from 1 January 2025 to 31 December 2025, no amendment was made to the constitutional documents of the Company. A copy of the constitutional documents of the Company is available on the websites of the Stock Exchange and the Company.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

Communications with Shareholders

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

The annual general meeting of the Company provides an opportunity for Shareholders to communicate directly with the Directors. The Chairman and Directors of the Company 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.

The Company maintains a website at <http://www.hevolwy.com.cn/> with information and updates on the Company's business developments and operations, list of Directors and their role and function, constitutional documents, terms of reference of the Board and its committees, procedures for nomination of Directors for election, Shareholder rights and communication policy, corporate governance practices, announcements, circulars and reports released to the Stock Exchange, and other information. Information on the Company's website <http://www.hevolwy.com.cn/> will be updated from time to time.

The Board believes that the diversified shareholder communication channels provide Shareholders with effective access to information about the Group, and that Shareholders can contact the Board directly on their own initiative through the procedures of making inquiries to the Board. The Board, therefore, endorses the effectiveness of the shareholders' communication policy.

Shareholders' Rights

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue (including election of individual Directors) at general meetings.

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 the Stock Exchange in a timely manner after each Shareholders' meeting.

Convening of extraordinary general meetings and putting forward proposals

There are no provisions under the memorandum and articles of association and the Companies Law of the Cayman Islands regarding approval of Shareholders' proposal of new resolutions at the general meeting. The Shareholders who intend to propose a resolution may require the Company to convene an extraordinary general meeting pursuant to the procedures as stated below. Any Shareholder or Shareholders with the right to vote on the Company's general meetings and a paid-up capital of no less than one-tenth of the total on the date of depositing a written requisition shall have the right to call an extraordinary general meetings at any time by depositing a written requisition at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the Shareholder(s) depositing such requisition. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the Shareholder(s) depositing such requisition may convene a meeting according to normal procedures and all expenses reasonably incurred by such Shareholder(s) due to the Board's failure to convene such a general meeting shall be compensated by the Company, provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition.

As regards proposing a person for election as a Director, relevant procedures are available on the Company's website.

Corporate Governance Report

Inquiries to the Board

The Company has established various and a wide range of communication channels with Shareholders. These include general meetings, annual and interim results, annual reports and interim reports, notices, announcements and circulars. In addition, the Company updates its website from time to time to keep the shareholders updated of the Company's recent development. Shareholders may at any time send their enquiries and concerns to the Board in writing, the contact details of which are contained on the Company's website.

For the avoidance of doubt, Shareholder(s) must provide his/her/their full name(s), contact details and identifications, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of Shareholder(s) may be disclosed as required by law.

An up-to-date version of the Articles is available on the websites of the Company and the Stock Exchange (www.hkexnews.hk). Shareholders may refer to the Articles for further details of the rights of shareholders.

All resolutions put forward at Shareholders' meetings shall be voted by poll pursuant to the Listing Rules. The poll voting results will be posted on the websites of the Company and the Stock Exchange after each of Shareholders' meeting.

Environmental, Social and Governance Report

ABOUT THIS REPORT

Hevol Services Group Co. Limited (“**Hevol Services**”, the “**Company**”, together with its subsidiaries, collectively the “**Group**” or “**we/us/our**”) hereby published the Group’s seventh Environmental, Social and Governance Report (“**ESG Report**” or “**this Report**”) to its stakeholders to demonstrate our sustainability policy, management approaches, measures and performance over the past year.

REPORTING SCOPE AND PERIOD

The reporting period of this Report is from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”), which is consistent with the financial year of the Group. Unless otherwise stated, the disclosure scope of this Report covers the Group’s principal businesses in the People’s Republic of China (the “**PRC**”), namely property management services and related value-added services. With respect to environmental key performance indicators, the disclosure scope of the Group for the Reporting Period is consistent with the reporting scope adopted in the Group’s financial report, covering the Group’s property management and related business operations during the Reporting Period. We will continue to improve the relevant data management and disclosure arrangements to enhance disclosure quality and transparency, and to more comprehensively reflect the Group’s sustainable development performance.

BASIS OF PREPARATION

This Report is prepared in compliance with the Environmental, Social and Governance Reporting Code (the “**Code**”) of Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. According to the Code, the preparation of this Report follows the four principles of “materiality”, “quantitative”, “balance” and “consistency”. In addition, we refer to the International Financial Reporting Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and the International Financial Reporting Standard S2 – Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB) (collectively, the “**ISSB Standards**”) to disclose sustainability-related risks and opportunities, and strive to the best of our ability to report in accordance with the real estate industry-specific indicators required by the Sustainability Accounting Standards Board (SASB).

Environmental, Social and Governance Report

Principles	Definition	Our responses
Materiality	The issues covered in this Report should reflect the significant impacts of the Group on the environment and society that assessments and decisions of stakeholders being influenced.	Through engaging with stakeholders as well as considering the Group's business nature and development, material sustainability issues for the Group are identified.
Quantitative	This Report should disclose key performance indicators in a measurable way.	The Group discloses its key environmental and social performance indicators where appropriate.
Balance	This Report should present all the information of the Group in an objective manner, to evaluate the comprehensive performance of the Group in a reasonable way.	The Group discloses achievements and challenges on identified material issues to fully reflect its sustainability performance.
Consistency	Preparation of this Report should be based on methods consistent with the one(s) used in previous year(s), or this Report should state the revised reporting methods, or illustrate other relevant factors that might affect meaningful comparison.	The reporting scope and reporting method are substantially consistent with those of the prior year(s), and this Report has also disclosed relevant comparative information.

LANGUAGE AND FORM OF THE REPORT

There are Chinese and English versions for this Report. If there is any discrepancy, the Chinese version shall prevail. An electronic version of this Report is available on the Stock Exchange website (<http://www.hkexnews.hk>) or our website (<http://www.hevolwy.com.cn>).

ABOUT US

Founded in 2002 and listed on 12 July 2019, Hevol Services Group Co. Limited is a reputable comprehensive property service provider in the PRC, providing property management services, community value-added services and value-added services to non-property owners. It also serves as a director of China Property Management Institute and a director of Beijing Property Management Association and has the qualification of national first-class property service enterprise.

Our Businesses

Property management services

The Group provides a range of property management services to property owners and residents as well as property developers, including security, cleaning, greening, gardening as well as repair and maintenance services. The Group's property management portfolio focuses on serving residential communities and also involves other types of properties, such as commercial properties and government institutions, schools, hospitals and other professional projects.

Community value-added services

The Group provides community value-added services to property owners and residents. The Group satisfies the quality-life needs of the property owners and residents to enhance their customer experience, as well as to create a healthier and more convenient living community. These community value-added services mainly include home-living services, real estate agent, housing decoration and renovation services, community group purchase, online community business platform, leasing of car parking space, and leasing of common facilities.

Value-added services to non-property owners

The Group provides site services and diverse auxiliary property management services for property developers, and provides full-cycle and full-process services before property sales and delivery. It assists property developers to enhance brand value in an all-round way.

Corporate culture



Corporate culture serves as an important foundation for the sustainable development of Hevol Services, guiding the Company's strategic direction and operational practices in the property services sector. We uphold the core values of "Open, innovation and co-creation", emphasize continuous exploration and innovation within an open and collaborative environment to drive industry progress, while creating value and sharing achievements together with our customers, employees and partners.

Our mission of "Serving people with a shared passion" reflects the Company's responsibility and commitment to serving society and meeting customer needs. Our corporate vision articulates our dedication to becoming the builder and leader of third-party property service platform in the PRC, continuously enhancing our service capabilities and industry influence. Our corporate tenet of "Quality first, reputation as sincerity, management-oriented, innovation as wisdom" is not only our business philosophy but also the standard we follow in our daily management and service delivery, ensuring that every service is centered on customer satisfaction and that we earn market trust through integrity and professionalism.

This cultural philosophy is embedded in all aspects of corporate governance, employee development, customer service and innovation practices. Through a robust management system, stringent quality control, continuous technological innovation and talent development, we promote steady corporate growth while actively fulfilling our environmental, social, and governance responsibilities, striving to create long-term value for property owners, communities and the industry.

HONORS AND AWARDS

Titles of Honors and Awards	Awarded by
22nd in 2025 China's Top 100 Property Service Enterprises	Beijing China Index Academy
2025 Leading Tech-Empowered Property Management Enterprise in China	Beijing China Index Academy
2025 China Outstanding Red Property Management Enterprise	Beijing China Index Academy
2025 China Outstanding Property Service Enterprises in Major Cities – Guiyang Top 10	Beijing China Index Academy
22nd in the 2025 China's Top 100 Comprehensive Strength in Property Service Enterprises	CPM Think Tank
2025 Top 5 Growing Listed Property Enterprise in China	CPM Think Tank
2025 China Leading Enterprise in Red Property Services	CPM Think Tank
2025 China Leading Enterprise in Value-Added Services Operation	CPM Think Tank
2025 China Leading Enterprise in Smart Property Service Operation	CPM Think Tank
2025 China Top 30 Property Service Enterprises in Northern China	CPM Think Tank
2025 China Top 30 Property Service Enterprises in Southwestern China	CPM Think Tank

Environmental, Social and Governance Report

Titles of Honors and Awards	Awarded by
2025 China Benchmark Property Service Project – Kunshan Ruiyi Court (Residential)	CPM Think Tank
2025 China Benchmark Property Service Project – China Railway International Eco-city Baijinggu Project (Residential)	CPM Think Tank
2025 China Benchmark Property Service Project – Chongqing Shili Huajuan Project (Residential)	CPM Think Tank
2025 China Benchmark Property Service Project – Guizhou Provincial Library Project (Public Building)	CPM Think Tank
2025 China Top 100 Property Service Satisfaction Enterprises	Leju Financial Research Institute
Top 100 Chinese Property Enterprises with Service Capability in 2025	CRIC Property Management & China Property Management Research Institution
2025 Leading Market-Oriented Property Management Companies in China	CRIC Property Management & China Property Management Research Institution
2025 China Leading Enterprise in Quality Property Services	CRIC Property Management & China Property Management Research Institution
2025 China Leading Enterprise in Smart Property Services	CRIC Property Management & China Property Management Research Institution
2025 Leading Property Value-added Service Operation Enterprise in China	CRIC Property Management & China Property Management Research Institution

BOARD STATEMENT

The Board of Directors (the “**Board**”) is responsible for determining all the ESG management strategies of the Group and assumes full responsibility for the Group’s environmental, social and governance strategies and reporting. The Board exercises ultimate oversight and accountability over ESG matters, and ensures that relevant arrangements align with the Group’s business strategy and long-term value. Through regular reports, special reports, and daily inquiries from the sustainability working group, the Board reviews management’s ESG approach and internal control arrangements, actively participates in the Company’s ESG-related management matters, and approves and confirms the sustainability policies and measures formulated by the sustainability working group. The Board maintains close contact with internal and external stakeholders, identifies and assesses material ESG issues (including potential risks and opportunities to operations) in accordance with established procedures, and regularly reviews the priorities and response arrangements for such issues, thereby formulating ESG strategies.

As a property management company, the Group’s day-to-day operations do not have a significant impact on the environment. Nevertheless, starting from the 2023 financial year, we have set environment-related directional targets, with a view to contributing to the environment and extending the concept of sustainability to all levels of the Group and other stakeholders. The Board has reviewed the progress and effectiveness of these targets and has guided management to continuously improve data sources, measurement methods and internal review processes to enhance the completeness and comparability of disclosures. With respect to climate-related issues, the Board also examines their potential impact on the Group and the corresponding management arrangements.

During the year, we have reviewed the implementation and progress of the environment-related directional targets set in the previous year. Looking ahead, the Board will continue to monitor progress on ESG targets and key performance indicators in accordance with the established plans, and make adjustments or improvements as necessary to ensure that we can monitor and improve sustainability matters more effectively.

This Report provides a detailed disclosure of the progress and results of the Group’s ESG work in 2025. The content of the Report does not contain any false records, misleading statements, or material omissions, and the Board assumes full responsibility for the content reported in this Report. The disclosures set out in the Report comply with the disclosure principles and relevant requirements of the ESG Reporting Code of the Stock Exchange. This Report was approved by the Board on 27 March 2026.

Environmental, Social and Governance Report

FEEDBACK

The Group values the valuable opinions of every stakeholder and regards it as an important driving force for sustainable development. If you have any comments on this Report or the Group's sustainable development performance, please email to Hehongfuwu@hevol.com.cn.

SUSTAINABILITY GOVERNANCE

As a reputable property service provider in the industry, the Group regards sustainable development as the foundation of corporate development. Through our influence, we are committed to integrating sustainable development elements into our business operations and business decisions, promoting the sustainable development of the environment and society, and creating a better environment and community for the next generation.

Sustainability Governance Framework

To effectively implement the Group's environmental, social and governance ("**ESG**") efforts, we have established a sustainability governance structure consisting of the Board, management, the sustainability working group, various functional departments and subsidiaries to promote the work in ESG management and information disclosure. The Board exercises ultimate oversight and accountability over ESG matters, ensuring that relevant arrangements align with the Group's business strategy and long-term value. The Board also provides guidance on the identification and prioritization of material ESG issues, risks and opportunities, and regularly reviews the progress and effectiveness of ESG targets and key performance indicators ("**KPIs**"). As the highest governance body of the Group, the Board assumes full responsibility for the Group's environmental, social and governance strategies and reporting.

Management, represented by the deputy general managers, is responsible for day-to-day oversight and resource allocation, coordinating cross-departmental efforts, and reporting to the Board on material issues, progress on targets and KPIs, ESG risks and data quality controls on a semi-annual basis. Management is also responsible for communicating the Board's relevant decisions and requirements to the working group and functional departments to ensure implementation and continuous improvement.

The Group has established a sustainability working group (the “**working group**”), comprising the deputy general managers and representatives from relevant functional departments such as the property management department, the quality management department and the audit and supervision department, to facilitate cross-departmental collaboration and operational execution. The primary responsibilities of the working group include:

- Implementing and coordinating the execution of approved ESG strategies, management approaches and related targets/KPIs in accordance with the guidance of the Board and management;
- Providing professional recommendations and drafting support for proposed ESG strategies, management approaches and targets/KPIs (initially formulated under the leadership of management and submitted to the Board for review);
- Regularly reviewing progress against targets/KPIs, identifying deviations and obstacles, and proposing necessary adjustments and timelines to management/the Board;
- Establishing and implementing ESG data governance processes, including data sources, measurement methods, documentation and internal review, to enhance the consistency, completeness and comparability of disclosures;
- Identifying, assessing and prioritizing material ESG issues and risks and opportunities related to operations in accordance with established procedures, including key areas such as climate change and the supply chain, proposing control and improvement measures, and following up on implementation;
- Monitoring compliance with ESG-related regulations and internal policies of the Company; in the event of any non-compliance, promptly implementing corrective and preventive measures and reporting material matters in a timely manner;
- Planning and promoting internal training and capability development (e.g., data collection, climate-related knowledge and supplier sustainability requirements) to support various departments in effectively fulfilling their ESG responsibilities;
- Collecting and consolidating stakeholder concerns and feedback, and incorporating relevant priorities into subsequent actions and reporting in accordance with the arrangements of management and the Board;
- Reporting on ESG progress, material risk changes, and data review results to management on a semi-annual basis, while proposing improvement recommendations; and submitting reporting materials and draft public disclosure documents, including the ESG report, for the Board’s review as required.

Environmental, Social and Governance Report

Sustainability Risk Management

Our Risk Management System provides guidance and framework for the Group's risk management. We have integrated ESG-related risks into the overall enterprise risk management (ERM) and regularly review the progress and performance of sustainability efforts. In terms of risk identification, we continuously identify relevant risks, including climate change and supply chain ESG risks, by considering market and industry trends, regulatory developments, peer analysis, stakeholder feedback and the nature of our business. In terms of assessment, we analyse the degree of impact and possibility, and formulate corresponding management and control measures based on relevant priorities. Material ESG risks and the progress of their responses are reported by the working group to management and submitted to the Board for review based on established plans. The effectiveness of relevant measures is also regularly evaluated and monitored, with optimization undertaken as necessary.

With respect to climate-related matters, the Group will report regularly on the latest developments in governance, strategy, risk management, and indicators and targets in accordance with its established governance and management arrangements. At the same time, we will continuously enhance our data management, internal review and record-keeping mechanisms to improve the consistency, completeness and comparability of disclosures.



For details on corporate governance and risk management policies of the Group, please refer to the Corporate Governance Report in the Group's Annual Report.

ENGAGEMENT OF STAKEHOLDERS

We have identified shareholders and investors, property owners and customers, employees, governments, subcontractors and suppliers and local communities as the key stakeholder category of the Group. We actively maintain close communication with our stakeholders, listen and respond in a timely manner to their opinions and expectations on the Group, so as to enhance our business and sustainability performance. We have established various communication channels to collect their opinions from various aspects. The following table details the Group's stakeholder category, corresponding communication methods, major concerns of stakeholders and our response channels:

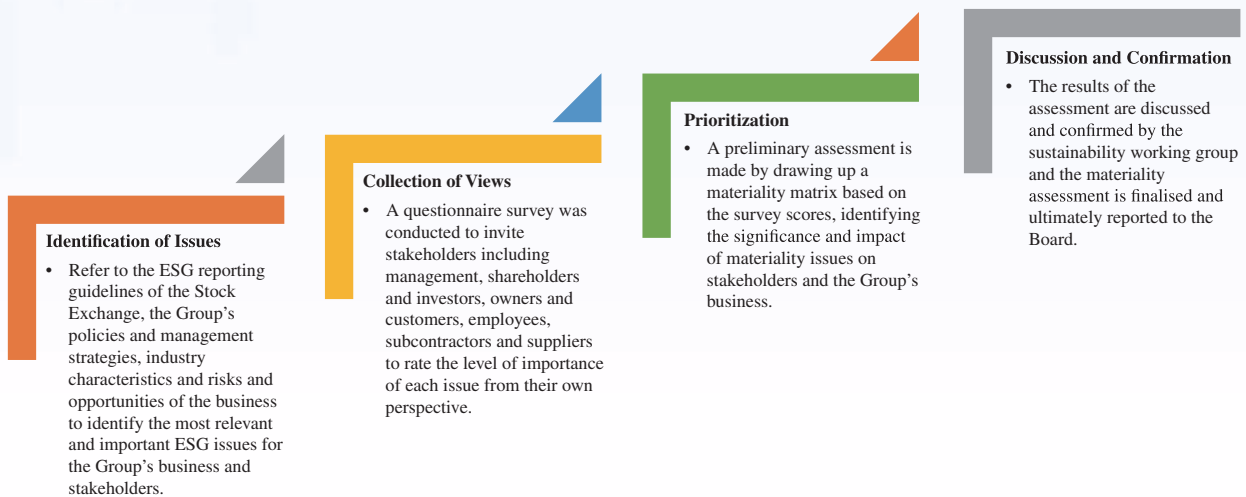
Stakeholder category	Communication methods	Major concerns	Our response channels
Shareholders and investors	<ul style="list-style-type: none"> - Convene general meetings - Release circulars, interim and annual reports - Disclose news of listed companies 	<ul style="list-style-type: none"> - Investment returns and growth - Protect the interests of shareholders and investors - Realize information transparency and efficient communication 	<ul style="list-style-type: none"> - Convene annual general meetings - Provide investors detailed information on the Group's website - Timely release of circulars, interim and annual reports and notices of meetings
Property owners and customers	<ul style="list-style-type: none"> - One-on-one meetings - Customer communication meetings - Satisfaction survey - Collect feedback from property owners and customers 	<ul style="list-style-type: none"> - High-quality services - Customer service and experience - Privacy protection - Handle opinions and complaints 	<ul style="list-style-type: none"> - Regularize and standardize services - Set up property management offices with locational convenience - Actively respond to the comments and complaints from property owners and customers - Take practical steps to protect customer privacy

Environmental, Social and Governance Report

Stakeholder category	Communication methods	Major concerns	Our response channels
Employees	<ul style="list-style-type: none"> - Various internal communication networks - Employee suggestion boxes - Training and performance evaluations - Workplace 	<ul style="list-style-type: none"> - Salary and benefits - Career development - Equal Opportunity - Health and safety of employees 	<ul style="list-style-type: none"> - Establish a sound performance appraisal and compensation and welfare system - Care and welfare activities for staff - Arrange training courses according to employees' professional development needs - Staff mailboxes
Government	<ul style="list-style-type: none"> - Tax declaration - Report on policy implementation - Communication with regulators 	<ul style="list-style-type: none"> - Fulfil regulatory compliance requirement - Payment of taxes on time according to laws - Maintaining good relationships with the local governments 	<ul style="list-style-type: none"> - Strict comply with national laws and regulations - Full payment of taxes on time according to laws - Maintain dialogue with provincial, municipal and district governments, and understand local practices
Sub-contractors and suppliers	<ul style="list-style-type: none"> - Review and evaluate performance of subcontractors and suppliers - Communication meetings - Information sharing 	<ul style="list-style-type: none"> - Transparent process in selecting sub-contractors and suppliers - Business integrity - Performance of contracts - Resources sharing 	<ul style="list-style-type: none"> - Establish an open and transparent bidding and procurement policy - Regularly assess the service quality of sub-contractors and suppliers - Convene meetings with qualified suppliers
Local community	<ul style="list-style-type: none"> - Organize/participate in community activities - Media publicity - Support local development 	<ul style="list-style-type: none"> - Promote local employment development - Community culture and services - Community safety management - Environmental protection 	<ul style="list-style-type: none"> - Organize ad hoc recreational activities in residential communities - Create career opportunities - Promote energy conservation and environmental protection

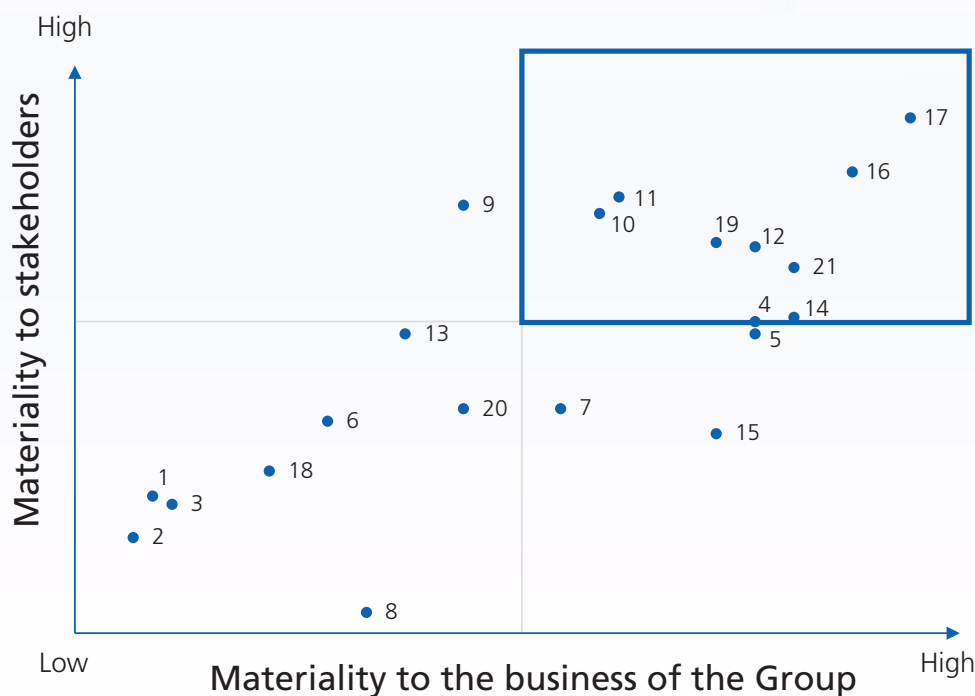
MATERIALITY ASSESSMENT

We regularly commissioned an independent third-party consultant to conduct a stakeholder survey and invited stakeholders to prioritize the importance of various ESG issues to the Group, so as to assist us in identifying and managing the Group's material sustainability issues. Our materiality analysis and assessment process is set out below:



After a joint review by the Board, management, and the sustainability working group during the year, we confirm that there have been no material changes to the stakeholder structure, business model, operational boundary or regulatory environment that would alter the priorities of issues. Accordingly, we have retained the materiality matrix from the previous year. Meanwhile, we completed an effectiveness review and conducted qualitative checks on certain topics such as climate-related disclosures and supply chain due diligence to ensure that the matrix reflects the key areas of focus for the current period. Should any significant changes or new regulatory requirements arise in the future, we will carry out interim updates as appropriate or conduct a comprehensive review in the next reporting cycle.

Materiality Matrix



No.	Issues	No.	Issues
1	Air pollutants emission	12	Employee development
2	Greenhouse gas emission	13	Prohibition of hiring child and forced labour
3	Waste treatment and recycling	14	Process of selecting and evaluating suppliers
4	Energy consumption	15	Environmental and social risk management of supply chain
5	Water consumption	16	Service quality and safety
6	Paper consumption	17	Customer service and satisfaction
7	Environmental risk management	18	Protection of intellectual property
8	Climate changes	19	Customer data privacy and data security
9	Equal opportunity	20	Anti-corruption and anti-money laundering
10	Employee benefits	21	Community response and public engagement
11	Occupational health and safety		

Based on the above materiality matrix, we have identified 10 issues, namely energy consumption, employee benefits, occupational health and safety, employee development, process of selecting and evaluating suppliers, service quality and safety, customer service and satisfaction, customer data privacy and data security, community response and public engagement and climate changes as key issues, which will be highlighted in this Report.

GREEN OPERATION

We are committed to building a better and greener community for the next generation. We strictly abide by relevant environmental laws and regulations, including but not limited to the Law on the Prevention and Control of Air Pollution of PRC, the Environmental Protection laws of PRC, the Law on the Prevention and Control of Water Pollution of PRC, the Water Law of the PRC, the National List of Hazardous Wastes, the Administrative Measures for Transfer of Hazardous Wastes, and the Law of PRC on the Prevention and Control of Solid Waste Pollution. The Group has obtained ISO14001:2015 Environmental Management System certification, and actively manages the Group's environmental performance through a comprehensive environmental management system, including the Administrative Regulations on Domestic Waste Classification, the Administrative Regulations on Energy Conservation and Consumption Reduction and the Pollutant Control Procedures.

During the Reporting Period, we were not aware of any serious violations of relevant environmental laws and regulations.

Emissions Management

We place great emphasis on emission management across the Group's operations, covering air pollutants, discharges into water and land, as well as the compliant handling of hazardous and non-hazardous waste. We have established management requirements and operational procedures for the areas mentioned above, and through mechanisms such as daily monitoring, equipment maintenance, contractor management, employee training and internal review, we strive to minimize our impact on the surrounding environment and ensure compliance with applicable laws and regulatory requirements that have a material impact on the Group. During the Reporting Period, we are not aware of any material non-compliance with environment-related laws and regulations.

Environmental, Social and Governance Report

In terms of emission sources, the Group's canteen facilities, backup generators, and landscaping and maintenance equipment (e.g., lawnmowers, brush cutters, hedge trimmers and rotary tillers) generate air pollutants such as nitrogen oxides, sulfur oxides and particulate matter from using liquefied petroleum gas, natural gas, biodiesel or diesel. Electricity consumption at various operating locations also affects overall emission performance. Based on the characteristics of the equipment and premises, we regularly review operational arrangements and maintenance needs, and update relevant operating guidelines as appropriate to maintain safe and compliant emission levels.

In order to reduce the Group's carbon footprint and implement the principle of environmental protection, we actively take the following measures:

To continuously improve our emission performance, we set measurable improvement targets on an annual basis and have introduced various emission reduction measures, including:

- Encourage employees to use video conferencing or teleconferencing as much as possible to replace commercial air travel;
- Encourage employees to use public transport and shared vehicles as much as possible;
- Optimizing landscaping and property maintenance processes to reduce fuel consumption;
- Proactively promote community greening and routine maintenance, continuously advance the replant and upkeep of community green spaces, and replant green area more than 173,309 square meters during this year, covering trees, shrubs and ground cover plants, including London plane tree, pine tree, ginkgo tree, Chinese rose, iris, boxwood, and Ilex crenata globular shrub.

We also regularly review the effectiveness of these measures and adjust resource allocation and operational arrangements as necessary to achieve the established targets.

KPIs	Unit	2025	2024	
Air emissions ¹	Nitrogen oxides	kg	44.25	29.43
	Sulfur oxides	kg	0.96	0.02
	Particulate matter	kg	2.69	5.36

1 In this year, the air emissions are calculated in detail according to the specific types and fuel categories of fixed sources, road vehicles, and non-road vehicles. The emission factors are determined with reference to "How to prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental KPIs" published by the Hong Kong Stock Exchange and EMEP/EEA Air Pollutant Emission Inventory Guidebook published by European Environment Agency.

Energy Management

We place great emphasis on energy management throughout our operations, covering the day to day control of electricity and fuel, energy saving arrangements, and internal monitoring. Our objective is to enhance energy efficiency while ensuring service quality. We have established operational requirements and inspection mechanisms for key scenarios in our operations (such as office areas, public facilities, landscaping and maintenance work, backup power and vehicles), and regularly review energy performance across locations to ensure compliance and continuous improvement.

Based on the nature of our business, we consume purchased electricity to support the electricity demand in our operating locations. We also consume gasoline, liquefied petroleum gas, natural gas and biodiesel to support the energy needs of vehicles, canteens, generators, weeders, brush cutters, hedge trimmers and rotary tillers. In order to reduce the Group's carbon footprint, we vigorously promote the concept of energy-saving, reduce energy consumption and improve energy efficiency through the following measures:

- Adopt zoning control for public lighting system to reduce electricity waste
- Procure equipment with higher energy-saving efficiency whenever possible
- Advocate employees to switch off lights, air conditioners and other electronic equipment before leaving work
- Air conditioners in office areas are set according to seasons and climates: 26 degrees Celsius in summer and 22 degrees Celsius in winter
- Employees are encouraged to use public transportation and share vehicles as much as possible
- Post electricity-saving labels in office areas to strengthen employees' awareness of saving electricity

Environmental, Social and Governance Report

The following is the energy consumption data of the Group during the Reporting Period and 2025:

KPIs		Unit	2025	2024
Energy consumption	Purchased electricity	MWh	136,319.90	92,914.63
	Natural gas	MWh	1,054.58	251.79
	Biodiesel	MWh	–	–
	Liquefied petroleum gas	MWh	597.18	114.71
	Diesel	MWh	3,642.55	99.14
	Gasoline	MWh	6,580.05	146.18
	Total energy consumption	MWh	148,194.26	93,526.45
	Energy consumption intensity	MWh/million m ²	3,210.85	3,287.70

In 2025, the Group further improved its energy management and data integration mechanism. The aggregation scope of energy consumption data has been expanded compared to 2024, and has been changed to include all projects managed by the Group under the operational control approach, consistent with the operational scope covered by the financial report. Due to the adjustment in reporting scope, the total energy consumption for the relevant years is not directly comparable. Despite the expanded management scope, overall energy consumption intensity remained stable.

Unless otherwise specified, the statistical scope and basis for the Group's other environmental and climate-related key performance indicators for 2025 have been adjusted in accordance with the above principles.

Water Management

We recognize the impact of our daily operations on water resources and have incorporated water use control into our routine management and monitoring procedures. We have set out operational requirements and inspection arrangements for landscaping maintenance, public area cleaning, facility operations and office use, and regularly review water consumption performance and anomalies at each property. Through internal review and requirements for contractors, we ensure compliance with applicable laws and property management regulations.

Our water is mainly provided by the municipal water supply company for greening, cleaning and daily office purposes. During the Reporting Period, we have not encountered any problems in obtaining suitable water sources. Water demand varies across locations depending on season, weather and property characteristics. We adjust the frequency and allocation of water use based on actual needs, and compare water intensity across different properties on a monthly or quarterly basis to identify trends, detect deviations, and arrange follow up actions.

We actively advocate the concept of cherishing water resources and require employees to save water and improve water efficiency. Our water conservation measures include:

- Adjust the frequency and amount of water used for greening and cleaning in a timely manner
- Set switches or locks at the water outlets to reduce waste of water resources
- Regularly check and maintain water equipment, and monitor the water consumption in public areas
- Adopt drip and spray irrigation in public areas of properties to reduce water consumption
- Put up water saving posters in the office area to strengthen employees' awareness of water conservation

KPIs		Unit	2025	2024
Water consumption	Total water consumption	m ³	2,595,723.08	1,921,048.79
	Water consumption intensity	m ³ /million m ²	56,240.15	67,529.86

As the Group further expanded the statistical scope of water consumption data in 2025, total water consumption increased. Nevertheless, water consumption intensity decreased significantly, reflecting an overall improvement in water usage per unit area despite an increase in the number of projects under management.

Environmental, Social and Governance Report

Waste Management

The Group places importance on waste management and has integrated sorting, collection, temporary storage, transfer and disposal into our daily management and monitoring procedures. We have also set access and performance requirements for contractors. For different properties and processes, we establish corresponding operational requirements and inspection arrangements as needed, regularly review the volume and destination of waste generated at each location to ensure practices comply with applicable laws and property management standards. During the Reporting Period, we are not aware of any material non compliance with waste disposal regulations, and we will continue to identify areas for improvement.

Based on the nature of our business, we generate non-hazardous wastes including household waste, paper and food waste as well as a small amount of waste light bulbs, ink cartridges, toner cartridges, batteries and disinfection medicine containers and other hazardous wastes. In order to avoid significant impact on the surrounding environment caused by waste discharge, we properly manage all wastes by collecting wastes separately and handing them over to a qualified third party for cleaning and disposal. For waste performance at different properties, we compare total volume and intensity on a monthly or quarterly basis, analyse the reasons for fluctuations, and arrange follow up actions.

To reduce our environmental impact, we set measurable waste reduction targets on an annual basis and implement a range of measures, including strengthening source reduction in office and property areas (e.g., giving priority to electronic document processing); adding or optimizing sorting and recycling points in buildings and public areas with clear signage; incorporating waste reduction and recycling requirements into contractor service terms and evaluations; and providing regular guidance and training to front line staff along with a reporting and correction mechanism for anomalies. We continuously track effectiveness through routine reviews and adjust resources and arrangements as necessary to achieve established waste reduction and recycling goals. We advocate the concept of reducing waste from the source, encourage employees to use online channels for office as much as possible to reduce paper consumption, and guide them to recycle waste paper, plastics, metals and other materials.

KPIs		Unit	2025	2024
Non-hazardous waste	Total non-hazardous wastes	tonnes	678.03	132.67
	Non-hazardous waste intensity	tonnes/million m ²	14.69	4.66
Hazardous waste	Total hazardous wastes	Tonnes	4.47	0.64
	Hazardous waste intensity	tonnes/million m ²	0.10	0.02

As the Group further refined its waste data collection and statistical methods in 2025 and expanded the coverage of operational projects under the operational control principle, the reported data for non-hazardous and hazardous waste increased compared to the previous year. This change primarily reflects the expanded reporting scope and improved data completeness, and is not directly comparable with 2024.

ADDRESSING CLIMATE CHANGES

Against the backdrop of global carbon reduction and resilience enhancement, the Group monitors policy and market trends in its key operating regions and, in line with the overarching direction of “carbon peaking by 2030 and carbon neutrality by 2060”, continues to integrate green, low carbon and resilient principles into its daily management and services.

The Group incorporates climate related considerations into its operational and management decisions, prioritizes energy efficiency improvements, facility resilience and data driven management, and reviews progress and effectiveness through annual targets and key indicators. To ensure clear and comparable disclosures, the following content presents the key initiatives and achievements for the period under the four pillars of governance, strategy, risk management, and metrics and targets.

Climate Change Governance System

Board Oversight

The Board assumes ultimate oversight and accountability for climate related matters. Based on relevant plans, the Board reviews governance reports submitted by management on an annual basis, covering the list of risks and opportunities, annual action plans, progress and effectiveness of key metrics and targets, key assumptions and conclusions of scenario analyses, resource requirements and regulatory developments.

In the event of material or urgent climate events, such as prolonged power outages or major flooding caused by severe tropical cyclones, management is required to submit an immediate special report and initiate a tiered reporting mechanism to assist the Board in assessing the operational impact and necessary improvement measures.

The Board also provides guidance on risk tolerance levels and capital expenditure priorities, ensuring that decisions are aligned with the Group’s strategy and ability to operate as a going concern.

Environmental, Social and Governance Report

Management Coordination

The Board has designated a management officer at the deputy general manager level as the officer responsible for climate related matters. This officer is responsible for day to day oversight and cross departmental coordination, translating the Board's direction into annual plans and resource allocation, setting and tracking key indicators, and regularly reviewing progress in accordance with established schedules. At least semi annually, the officer provides the Board with updates and recommendations on risks and opportunities, action plans and resource utilization. In the event of a material incident, the officer will immediately report and initiate the corresponding decision making process, concurrently submitting the cause, impact assessment, temporary protective measures and subsequent improvement plan to serve as the basis for the Board's judgement and resource deployment.

Roles and Responsibilities of the Climate and Resilience Working Group

Under the leadership of the deputy general managers and senior management, a climate and resilience working group has been established within the sustainability working group. It comprises members from property operations, engineering and maintenance, procurement and supply chain, risk and internal control, finance and relevant functions. Its main responsibilities include:

- Providing recommendations for the identification and assessment of physical and transition risks, and maintaining and updating the list of risks and opportunities;
- Coordinating the scheduling and execution of key initiatives such as energy saving and facility resilience, and tracking milestones and resource usage;
- Managing the collection, verification and internal review of emissions and energy data, supporting Scope 1 and Scope 2 disclosures, and progressively expanding coverage to Scope 3 in accordance with plans;
- Advising on supply-chain related requirements and collaborative arrangements, and promoting supplier alignment with low-carbon and compliance standards.

Capabilities and Professional Support

The Group provides appropriate and ongoing support for directors and management as needed, including relevant information or training arrangements, to help them better understand climate related matters and management arrangements associated with the Group's operations. The content of such training is arranged based on the actual needs of directors and management. When necessary, the Group also seeks external professional advice to enhance the quality and robustness of relevant methodologies and disclosures.

Climate Change Strategies

Strategy and Resilience

The Group integrates climate related factors into its annual operations and medium to long term planning, establishes key priorities for the short term (one to three years), medium term (three to ten years), and long term (over ten years) based on management needs. Priority is given to areas that directly impact service continuity and customer experience, including flood prevention and drainage, energy use management during periods of high temperature, safety at outdoor and underground entry points, and the stable operation of elevators and power distribution facilities.

With respect to the business model and value chain, the Group's core services cover order maintenance, environmental cleaning, landscaping maintenance, facility maintenance and customer service, complemented by corresponding engineering repairs and contractor management based on property type. The primary climate related impacts are reflected in the pressure that heavy rainfall and severe convective weather place on drainage capacity and underground spaces, the increased electricity usage and maintenance frequency in public areas during high temperature weather, and the growing market and contractual demands for green services. The Group has completed drainage risk assessments and updated the list of key locations before the flood season, adjusted equipment operation strategies during high temperature periods, and incorporated efficiency and response times into tender and contract renewal evaluations.

At the financial and operational level, extreme weather events may lead to fluctuations in expenses for temporary repairs, emergency supplies and overtime, while individual projects may face brief service interruptions and pressure from complaint handling. Over the medium to long term, energy efficiency retrofits and equipment renewals will affect maintenance costs and energy expenditure, while the standardization of green services will also influence supplier selection criteria and insurance coverage. The Group adopts a prudent approach to energy saving retrofits, energy management contracts (EMC), distributed energy and phased renewals, implements these initiatives first in key properties and gradually expands them once results are achieved.

The Group has incorporated the above work into its annual plans and resource allocation. For significant arrangements related to facility resilience, energy efficiency or customer experience, management explains the implications for service continuity and cost when making proposals, and reviews insurance and contractor terms as needed. For measures requiring multi year implementation, management sets priorities and milestones, and reviews progress and effectiveness in each reporting period.

Environmental, Social and Governance Report

Scenario Analysis

We combine publicly available information and existing operational records to conduct a qualitative assessment of trends in heavy rainfall, typhoons and high temperatures, and incorporate the findings into the annual risk prioritization, maintenance and inspection schedules, and drill plans. As data and capabilities mature, we will test more detailed scenarios and timeframes in representative projects, and expand the results to additional assets and regions based on the outcomes of such tests.

Key Focus Areas and Directional Impacts by Time Horizon

Time Horizon	Scenarios and Focus Areas	Management Arrangements	Directional Impacts
One to three years	<ul style="list-style-type: none"> • Heavy rainfall and severe convective weather during flood season • Increased load due to high temperatures • Safety of outdoor and underground entry points and power distribution 	<ul style="list-style-type: none"> • Pre-flood drainage risk assessment and update of key location list • Duty staffing during critical periods and staggered operation • Peak-season manpower and spare parts assurance 	<ul style="list-style-type: none"> • Fluctuations in emergency repair and overtime expenses • Increased risk of temporary service interruptions in certain scenarios
Three to ten years	<ul style="list-style-type: none"> • Energy efficiency performance and maintenance cycles • Incorporation of green service standards into contracts 	<ul style="list-style-type: none"> • Energy-saving retrofits and equipment renewal • Inclusion of efficiency and response time in tender and contract renewal evaluations • Adjustment of insurance coverage and deductibles as needed 	<ul style="list-style-type: none"> • Optimization of energy and maintenance costs as retrofits progress • Premium adjustments aligned with coverage changes
Over ten years	<ul style="list-style-type: none"> • Community energy structure and long-cycle asset maintenance • Changes in urban public facilities and community functions 	<ul style="list-style-type: none"> • Assessment of suitability for distributed energy and recycling and reuse • Scheduling and milestones for long-cycle capital maintenance 	<ul style="list-style-type: none"> • Capital investment and long-cycle investments prioritized based on needs and cost-effectiveness

Strategy and Scenario Analysis

The Group incorporates climate-related factors into its annual operations and medium- to long-term planning, and adopts a tiered time horizon and proportionate disclosure approach for management and reporting. The short term is defined as one to three years, the medium term as three to ten years, and the long term as over ten years. Management priorities include flood prevention and drainage, power distribution and backup, cooling and energy consumption, safety at outdoor and underground entry points, and the continuity and timeliness of customer services. The disclosure and implementation scope covers the residential, commercial and public facility projects under management of the Group, with specific measures and reporting milestones tailored to the operational characteristics and geographical distribution of each property.

Scenario Setting and Basis

We adopt two types of reference scenarios to reflect different warming pathways and policy intensities. The warming scenarios are derived from SSP1 2.6 and SSP5 8.5 in the IPCC Sixth Assessment Report, which define the lower and upper ranges of physical risk. The policy scenarios are taken from the NGFS Net Zero 2050 and Current Policies to compare transition requirements and associated cost changes. The assessment covers our residential, commercial and public facility projects under management, with timeframes divided into the short term (up to 2030), medium term (up to 2040), and long term (up to 2060).

Category	Reference Scenario	Key Characteristics	Purpose in the Report
Warming Pathway	IPCC AR6 SSP1 2.6	Controlled warming; extreme heat and heavy rainfall still increase; sea level continues to rise	Used as a lower bound reference for physical risk to inform prudent work arrangements and resource allocation

Environmental, Social and Governance Report

Category	Reference Scenario	Key Characteristics	Purpose in the Report
Warming Pathway	IPCC AR6 SSP5 8.5	Significantly higher warming; greater frequency and intensity of heatwaves and heavy rainfall; more compound and consecutive extreme weather events	Used as an upper bound reference for physical risk for stress testing and corresponding resilience enhancement
Policy intensity	NGFS Net Zero 2050	Earlier and stricter policies; higher compliance and disclosure requirements; earlier deployment of energy and equipment investments	Used as a high transition risk scenario to plan investment priorities and contract arrangements
Policy intensity	NGFS Current Policies	Policies largely unchanged or divergent; lower short to medium term pressure; long term physical risks and insurance costs may increase	Used as a low transition risk scenario to benchmark long term resilience investments and protection needs

We use publicly available climate and policy scenarios as the basis for analysis, supplemented by the Group's operational data, including recent records of extreme weather events and service interruptions, energy efficiency benchmarks of major equipment and systems, backup capacity for drainage and power distribution, and key contract and insurance terms. Such information is used solely to support judgement and is updated during the annual review.

Coverage and Time Frame

The assessment covers the residential, commercial and public facility projects under management of the Group. The time frame is divided into the short term (up to 2030), medium term (up to 2040) and long term (up to 2060). To ensure consistency of comparison across different regions and property types, the Group has established a five level risk assessment system (very low, low, medium, high, very high) and analyses physical risks across four acute (short term impact) categories, namely heatwave, extreme cold, extreme rainfall/waterlogging and typhoon/strong wind, and two chronic (long term cumulative) categories, namely drought and sea level rise:

Risk item	Short term (up to 2030)		Medium term (up to 2040)		Long term (up to 2060)	
	SSP1 2.6	SSP5 8.5	SSP1 2.6	SSP5 8.5	SSP1 2.6	SSP5 8.5
Heatwave (acute)	Medium	Medium-High	Medium	High	Medium-High	Very high
Extreme cold (acute)	Low	Low	Low	Low-Medium	Low	Low
Heavy rainfall/waterlogging (acute)	Medium	High	Medium-High	High	High	Very high
Typhoon/strong wind (acute)	Medium	Medium-High	Medium-High	High	High	Very high
Drought (chronic)	Low-Medium	Medium	Medium	Medium-High	Medium-High	High
Sea level rise (chronic)	Low	Low-Medium	Medium	Medium-High	High	Very high

Environmental, Social and Governance Report

Physical Risk Identification

Risk category	Risk source (scenario)	Affected asset types	Affected operational areas	Potential financial impact (directional)	Management priority
Extreme heat (acute)	<ul style="list-style-type: none"> Rising temperatures and increased frequency of heatwaves (SSP5-8.5 long-term rises to "very high") Peak energy demand, increased cooling load 	<ul style="list-style-type: none"> Plant rooms, cooling towers, air-conditioning systems Rooftop equipment, weak current rooms Public areas (lobbies, corridors) 	<ul style="list-style-type: none"> Cooling and ventilation operation Equipment derating/fault handling Front-line staff scheduling and occupational health and safety 	<ul style="list-style-type: none"> Increased electricity costs, peak-period fluctuations Equipment repair and premature replacement Complaint handling and potential tenant churn 	High
Extreme cold (acute)	<ul style="list-style-type: none"> Cold events in northern/high-altitude areas (low – low-medium) Risk of freezing and heating interruption 	<ul style="list-style-type: none"> Heating equipment, pump rooms, cooling towers Water supply pipelines, external wall penetrations Semi-outdoor passageways 	<ul style="list-style-type: none"> Winter operation and inspections Cold-weather emergency response Anti-slip measures and resident safety notices 	<ul style="list-style-type: none"> Pipeline repairs, leakage and rework costs Slip-related accident and liability risks Complaints and compensation arrangements 	Medium (regional)
Extreme rainfall/waterlogging (acute)	<ul style="list-style-type: none"> Heavy rainfall/short-duration intense rainfall In high-warming scenarios, rises to "very high" in medium-to-long term 	<ul style="list-style-type: none"> Underground car parks, pump rooms, electrical rooms Lift pits, sumps Roof drainage and downpipes 	<ul style="list-style-type: none"> Drainage/pumping capacity Backup power activation Post-event recovery (24–48 hours) 	<ul style="list-style-type: none"> Increased facility damage and repair costs Service interruption affecting revenue Insurance deductibles and premium increases 	Very high (especially for coastal/low-lying properties)

Environmental, Social and Governance Report

Risk category	Risk source (scenario)	Affected asset types	Affected operational areas	Potential financial impact (directional)	Management priority
Typhoon/strong wind (acute)	<ul style="list-style-type: none"> Increasing intensity of strong wind events (Medium term → high; long term → very high) 	<ul style="list-style-type: none"> External wall components, rooftop equipment Trees, awnings, signage High-altitude fixtures (antennas, racks) 	<ul style="list-style-type: none"> Pre-typhoon inspections and reinforcement Site evacuation and temporary closure arrangements Insurance documentation and evidence collection 	<ul style="list-style-type: none"> Component damage and emergency repairs Liability risks for personal/property safety Claims delays and increased deductibles 	High – Very high
Drought (chronic)	<ul style="list-style-type: none"> Reduced precipitation and extreme dry trends (long-term rises to “medium – high”) 	<ul style="list-style-type: none"> Landscaping, irrigation systems Cooling tower makeup water systems Public area cleaning 	<ul style="list-style-type: none"> Water conservation management, night-time irrigation Cooling tower water efficiency monitoring Cleaning process adjustments 	<ul style="list-style-type: none"> Increased landscaping maintenance costs Reduced cooling performance leading to higher energy consumption Cleaning cost fluctuations 	Medium
Sea level rise (chronic)	<ul style="list-style-type: none"> Storm surges, tidal backflow in coastal cities In high-warming scenario (SSP5-8.5), long-term rises to “very high” 	<ul style="list-style-type: none"> Underground car parks, electrical rooms, pump rooms Weak current shafts, critical cable routes Low-lying area entrances 	<ul style="list-style-type: none"> Flood-proofing reinforcement works Temporary access/route management Storm surge emergency procedures 	<ul style="list-style-type: none"> Increased medium-to-long-term reinforcement costs Rising insurance premiums and deductibles High recovery costs after major events 	Very high (coastal)

Environmental, Social and Governance Report

Potential Impacts and Response Measures for Physical Risks

Physical risk type	Potential impact	Response strategy
Extreme heat (acute)	<ul style="list-style-type: none"> Increased cooling and ventilation load, leading to higher energy usage and costs during peak periods; Plant rooms, cooling towers and power supply equipment more prone to derating or failure under high temperatures; Reduced comfort in public spaces, increasing resident complaints and tenant turnover risk; Front-line staff face heat-related health risks, requiring shift adjustments and enhanced occupational health and safety measures. 	<ul style="list-style-type: none"> Establish operational arrangements for high-temperature periods, adjust cooling strategies during peak hours; Optimize tuning and central control settings for cooling and ventilation systems; Include pump rooms, cooling systems and lighting in annual energy-saving projects, leverage time-of-use electricity tariffs to reduce costs; Add shading, ventilation and temperature monitoring to plant rooms and rooftop locations; Enhance frontline manpower scheduling, hydration and rest arrangements; shift to night or off-peak work when necessary.
Extreme cold (acute)	<ul style="list-style-type: none"> Heating, power and water supply systems may freeze, become blocked or fail under low temperatures; Icing in outdoor or semi-outdoor public areas increases risk of slip accidents; Residents' expectations for indoor temperature and heating stability rise, increasing risks of complaints and compensation disputes. 	<ul style="list-style-type: none"> Pre-winter inspections: pipe insulation, coverage of exposed locations and spare parts inventory; Monitor minimum temperatures in pump rooms, electrical rooms and related equipment, and set alarms; Issue cold-weather notices to residents, apply anti-slip treatment or temporarily close high-risk areas; Test backup heating and emergency power supply operation.

Physical risk type	Potential impact	Response strategy
Extreme rainfall (acute)	<ul style="list-style-type: none"> • Low-lying locations and underground facilities (electrical rooms, pump rooms, lift pits, car parks) may suffer water damage; • Pumping equipment and backup power need to run for extended periods, increasing consumables and maintenance costs; • Extended downtime and recovery time affect service continuity and revenue recognition; • Post-flood public areas require additional cleaning and restoration, raising operational costs. 	<ul style="list-style-type: none"> • Complete drain cleaning and drainage system inspections before the rainy season; • Strengthen inspections of low-lying points, sumps, non-return valves, overflow levels and roof drainage; • Pre-position temporary flood barriers, sandbags and mobile pumping equipment; • Test main pump sets and generators, ensure adequate fuel; reinforce waterproofing details in lift pits and electrical rooms; • Establish clear response procedures for heavy rain warnings; • Complete restoration, drying and deep cleaning within 24 to 48 hours after an event.
Typhoon and strong wind (acute)	<ul style="list-style-type: none"> • External wall fixtures, curtain walls, louvres, rooftop equipment or high-altitude installations may be damaged; • Fallen trees or falling objects create property or personal safety risks; • Temporary shutdowns or site evacuations increase emergency repair costs; • Insufficient documentation may affect insurance claims. 	<ul style="list-style-type: none"> • Conduct systematic pre-typhoon inspections: external wall fixtures, signage, louvres, rooftop equipment, mounting frames, antennas; • Prune or reinforce high-risk trees; remove loose items and unstable components; • Develop temporary closure and evacuation checklists for typhoon warnings; • Strengthen protection for lifts and glass doors and windows; • Confirm with insurers the notification requirements, documentation and claims procedures, retain photos and records in accordance with internal guidelines.

Environmental, Social and Governance Report

Physical risk type	Potential impact	Response strategy
Drought (chronic)	<ul style="list-style-type: none"> • Increased costs for landscape irrigation and water features; • Limited cooling tower makeup water affects energy efficiency and indoor comfort; • Cleaning operations impacted when municipal water supply is tight; • Prolonged dryness increases dust and allergens, affecting resident satisfaction. 	<ul style="list-style-type: none"> • Adopt water-efficient irrigation, zone control, night-time irrigation, drip irrigation and drought-tolerant plants; • Recover air-conditioning condensate, rainwater and groundwater seepage for reuse after treatment; • Strengthen monitoring of cooling tower water use, check leaks, increase cycles of concentration; • Shift cleaning from flushing to light-wet/spot treatment; • Communicate seasonal water conservation arrangements to residents.
Sea level rise (chronic – coastal and low-lying areas)	<ul style="list-style-type: none"> • Significantly increased risk of damage to underground facilities during storm surges and high spring tides; • Failure of drainage gates or non-return valves may cause backflow, extending recovery time; • Insurance deductibles and premiums may rise in the medium to long term; • Increased long-term repair and reinforcement costs. 	<ul style="list-style-type: none"> • Strengthen flood protection at key boundaries and entrances: raise thresholds for underground entrances, electrical rooms and pump rooms, install flood barriers and backflow prevention; • Reinforce waterproofing at critical cable ducts and pipeline penetrations; • Implement temporary access and pedestrian diversion during high tide periods; • Develop asset-level storm surge risk maps and critical water level checklists, and conduct drills; • Update insurance terms and deductibles with insurers, incorporate flood-proofing and reinforcement works into medium-to-long-term maintenance plans.

Environmental, Social and Governance Report

Transition Risk Identification

Risk category	Risk source	Affected assets/processes	Affected operational areas	Potential financial impact
Policy and regulation	<ul style="list-style-type: none"> Deepening of regulatory climate disclosure requirements Gradual tightening of energy efficiency and green operation standards (earlier and stricter in an orderly transition scenario) 	<ul style="list-style-type: none"> Energy and environmental data systems Contract/procurement compliance clauses 	<ul style="list-style-type: none"> Disclosure and verification (data governance) Tendering/renewal requirements 	<ul style="list-style-type: none"> Increased disclosure and verification costs Non-compliance risk and loss of points in tenders
Carbon and energy prices	<ul style="list-style-type: none"> Rising carbon and electricity prices under orderly transition, with increased peak-period volatility (a delayed transition would lead to even more severe fluctuations later on) 	<ul style="list-style-type: none"> Public area energy consumption (cooling, pump rooms, lighting) Backup power 	<ul style="list-style-type: none"> Energy cost management Energy usage strategy (time-of-use/peak shaving) 	<ul style="list-style-type: none"> Increased energy costs and peak-period expenses Budget fluctuations
Technology and digitalization	<ul style="list-style-type: none"> Orderly transition drives energy efficiency/ automation technology upgrades; under current policies, investment incentives are weaker but laggard risks accumulate 	<ul style="list-style-type: none"> Cooling and ventilation systems CMMS/IoT monitoring 	<ul style="list-style-type: none"> Maintenance strategy (preventive) Performance verification 	<ul style="list-style-type: none"> Increased upfront investment; If lagging, risk of efficiency deterioration and downtime increases
Market and customers	<ul style="list-style-type: none"> Rising customer expectations for comfort, energy efficiency and disclosure transparency (more quickly reflected in an orderly transition) 	<ul style="list-style-type: none"> Service contracts and SLAs Indoor environmental quality (IEQ) 	<ul style="list-style-type: none"> Complaints and contract renewals Tender evaluation scores 	<ul style="list-style-type: none"> Renewal rate and win rate affected Additional service costs
Reputation and financing	<ul style="list-style-type: none"> Growing focus from institutional investors and insurers on low-carbon transition and resilience; Disclosure quality affects financing and insurance premiums 	<ul style="list-style-type: none"> Financing documents and due diligence Insurance policy terms 	<ul style="list-style-type: none"> Financing/insurance negotiations Third-party ratings 	<ul style="list-style-type: none"> Risk of higher financing costs/insurance premiums Rating downgrade

Environmental, Social and Governance Report

Impact and Implementation Measures for Transition Opportunities

Opportunity category	Key impact	Implementation measures	KPI/monitoring indicator
Energy efficiency and operational and maintenance optimization	<ul style="list-style-type: none"> Reduced energy consumption and peak-period costs Stable equipment operation and customer experience 	<ul style="list-style-type: none"> Establish sub-metered and time-of-use monitoring; Roadmap for energy-efficiency retrofits for cooling/pump rooms/ lighting; Introduce computerized maintenance management system (CMMS)/ Internet of Things (IoT) monitoring technology and preventive maintenance 	<ul style="list-style-type: none"> Energy intensity (kWh/million m²) Reduction in peak load (%) Reduction in equipment downtime hours
Green power/green certificate pilots	<ul style="list-style-type: none"> Optimized emission and cost curves Added points in external assessments 	<ul style="list-style-type: none"> Select pilot cities with mature conditions for green power/green certificates; Fully disclose attributes and certification sources 	<ul style="list-style-type: none"> Share of green power/green certificates (%) Associated emission reductions (tCO₂e)
Low-carbon procurement/contractor management	<ul style="list-style-type: none"> Enhanced service stability, quality and compliance 	<ul style="list-style-type: none"> Introduce energy efficiency and timeliness indicators in tenders/ contract renewals; Establish documentation and verification mechanisms 	<ul style="list-style-type: none"> Contract coverage (%) Reduction in major deviation rate
Disclosure and financing	<ul style="list-style-type: none"> Improved ratings, financing terms and insurance premiums 	<ul style="list-style-type: none"> Part D checklist-based management; Quarterly internal data reviews + annual Board review 	<ul style="list-style-type: none"> Disclosure timeliness (%) Changes in external ratings
Customer experience and brand	<ul style="list-style-type: none"> Advantages in contract renewals and tenders 	<ul style="list-style-type: none"> IEQ disclosure and extreme-weather standard operating procedures (SOPs); Document successful cases for inclusion in tender documents 	<ul style="list-style-type: none"> Contract renewal rate (%) Hit rate of bonus points in tenders

Climate-Related Financial Impact

In the short term, the Group may face fluctuations in expenditure related to emergency repairs, contingency supplies and overtime associated with extreme weather events, and in certain scenarios may experience temporary service interruptions and pressure from complaint handling. In the medium term, as energy efficiency retrofits and maintenance optimization are gradually implemented, the associated investments and costs are expected to be progressively offset by operational efficiencies and performance gains. In the long term, structural adjustments to asset maintenance strategies, insurance premiums and deductibles and outsourced contracts may affect the cost curve and the timing of cash flows. As data and methodologies mature, the Group will prudently supplement directional quantitative information in the future.

Risk Management

The Group has integrated climate-related risk management into its existing management processes, following the cycle of “identification – assessment – prioritization – monitoring and triggers – response and remediation”, and has aligned this with enterprise risk management (ERM). This framework is overseen by the Board, coordinated by management and the ESG working group, and implemented by functional departments across day to day operations.

Identification and Updates

The Group consolidates records of extreme weather events, facility operation and energy efficiency data, insurance and maintenance information, as well as regulatory developments and customer requirements, to regularly update the inventory of physical risks (heatwaves, heavy rainfall/waterlogging, typhoons/strong winds, extreme cold, drought, sea level rise) and transition risks (policy and regulation, carbon and energy prices, technology and digitalization, customers and markets, reputation and financing). In the event of significant incidents or regulatory changes, ad hoc updates are initiated.

Assessment and Prioritization

The Group uses a “likelihood × impact” matrix for risk scoring, with impact dimensions covering operational continuity, energy and maintenance costs, assets and capital expenditure, insurance and contractual arrangements, and customer experience and reputation. Prioritization is determined based on asset location, property type characteristics and time horizons (short term to 2030/medium term to 2040/long term to 2060), and is used to guide annual resource allocation.

Environmental, Social and Governance Report

Monitoring and Triggers

For high priority risks, the Group establishes monitoring indicators and trigger thresholds (e.g., pumping capacity, inspection frequency for low lying and underground facilities, backup power operating hours, operating parameters of key mechanical and electrical equipment, peak period electricity load, indoor environmental parameters). During seasonal high risk periods or when weather warnings are in effect, enhanced inspections, duty rosters and reporting protocols are implemented.

Response and Remediation

The Group translates identified risks into annual work plans and budget arrangements with focus on facility protection and recovery (drainage and flood prevention, backup power, protection of critical equipment), energy efficiency and emission reduction (operational optimization and equipment upgrades), contract and supply management (incorporating safety, energy efficiency and response time requirements into terms), and customer service and communications during extreme weather events. Following incidents, recovery, documentation and review are completed within defined timeframes, with follow up actions tracked for remediation.

Integration with Enterprise Risk Management

Material climate risks and the progress of related actions are reported quarterly to management or the ESG working group and annually to the Board. The relevant processes and requirements have also been incorporated into the enterprise risk register and internal control documentation, and are updated during the annual review.

Environmental Objectives

To strengthen environmental performance management, we have set four environmental objectives and actively implement them through various plans. During the Reporting Period, we made good progress towards each objective.

The above environmental objectives are directional objectives that the Group continues to pursue, covering the relevant operational scope included under the operational control principle during the Reporting Period. The Group continuously monitors progress through annual reviews, action plans and key performance indicators, and discloses the relevant implementation status in this Report.

Indicators	Objectives	Initiatives implemented	Progress during the Reporting Period
Greenhouse gas emissions	Reduce electricity consumption in offices and common areas of the projects	<ul style="list-style-type: none"> Adopted zoning control for public lighting system and reduce consumption within reasonable range Post electricity-saving labels in office areas to strengthen employees' awareness of saving electricity Prioritized tools which facilitate energy saving and emission reduction in purchasing electronic equipment 	In progress
Wastes	Improve measures of waste separation and recycling	<ul style="list-style-type: none"> Disused computers, monitors, waste ink cartridges and other garbage are sorted for collection Transported to relevant professional institutions for recycling Office wastes are collected for centralized recycling to reduce the disposal rate of waste 	In progress

Environmental, Social and Governance Report

Indicators	Objectives	Initiatives implemented	Progress during the Reporting Period
Energy use	Raise employees' awareness of energy conservation	<ul style="list-style-type: none"> • Encouraged employees to switch off lights, air conditioners and office equipment before leaving work • Reduced the use of unnecessary lighting systems in office areas • Post electricity-saving labels in office areas to strengthen employees' concerns for energy conservation and emission reduction 	In progress
Water consumption	Reduce water consumption in offices and common areas of the projects	<ul style="list-style-type: none"> • Drip and spray irrigation is gradually adopted for property management projects to reduce water consumption • Water saving posters are in place in office areas 	Achieved

During the Reporting Period, the Group reviewed and continued its existing environmental objectives, and determined that these objectives remain appropriate given the nature of the Group's operations and its management focus. The Group also continues to implement and monitor progress through established measures.

Greenhouse Gas Emissions

The Group accounts for greenhouse gas emissions based on the operational control boundary, covering Scope 1, Scope 2 and selected Scope 3 emission sources, and performs calculations in accordance with the measurement methodologies, emission factors and assumptions set out in the Report. During the Reporting Period, the Group continued to optimize the collection, categorization and internal verification processes for emissions data to enhance consistency and traceability, thereby supporting more effective management and monitoring of greenhouse gas emissions performance.

KPI	Unit	2025	2024	
Greenhouse gas emissions	Greenhouse gas emissions (Scope 1) ¹	tonnes of CO ₂ e	397.71	135.05
	Greenhouse gas emissions (Scope 2) ^{2 and 3}	tonnes of CO ₂ e	83,168.77	37,606.88
	Greenhouse gas emissions (Scope 3) ⁴	tonnes of CO ₂ e	3,730.58	935.55
	Total greenhouse gas emissions	tonnes of CO ₂ e	87,297.06	38,677.48
	Greenhouse gas reduction/offset	tonnes of CO ₂ e	23,940.68	1.27
	Net greenhouse gas emissions	tonnes of CO ₂ e	63,356.38	38,676.21
	Greenhouse gas emissions intensity (net)	tonnes of CO ₂ e/ million m ²	1,372.70	1,359.57

Environmental, Social and Governance Report

1. Scope 1 covers direct greenhouse gas emissions from operations that are owned or controlled by the Group. In this year, Scope 1 is calculated in detail according to the specific types and fuel categories of fixed sources, road vehicles, and non-road vehicles.
2. Scope 2 covers “energy indirect” greenhouse gas emissions resulting from electricity and heat (purchased or acquired) consumed within the Group.
3. The Group did not purchase green electricity or use market-based electricity contracts during the Reporting Period. Accordingly, Scope 2 emissions are calculated using the location-based method; the market-based emissions are consistent with the location-based emissions.
4. Scope 3 refers to other indirect greenhouse gas emissions occurring outside the Group’s value chain. Due to data availability constraints for the year, disclosures are limited to waste paper disposal (Category 5: Waste Generated in Operations), indirect emissions associated with fresh water supply (Category 1: Purchased Goods and Services), indirect emissions arising from wastewater treatment (Category 5: Waste Generated in Operations), and business air travel by employees (Category 6: Business Travel). The remaining categories will be gradually incorporated as circumstances permit.

During the Reporting Period, the Group did not use any carbon credits or offsetting arrangements to achieve climate-related targets. Should the adoption of carbon credits become necessary in the future due to operational or regulatory requirements, the Group will disclose their sources, certification standards and the extent of reliance.

During the Reporting Period, the Group did not directly link climate-related indicators to remuneration or incentive mechanisms. Relevant arrangements will be regularly reviewed based on business needs and resource availability, and any adjustments will be disclosed in subsequent reports, including the relevant design and measurement methodologies.

WALK HAND IN HAND

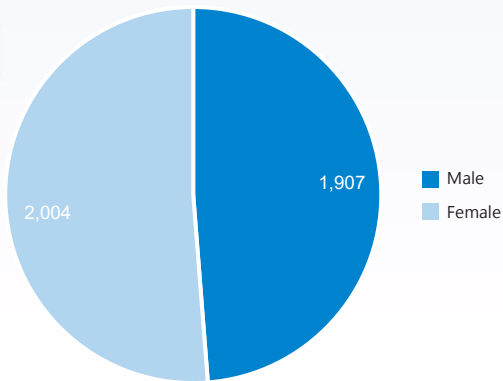
We adhere to the people-oriented employment principle, treat every employee equally, provide a harmonious, inclusive, equal working environment for our employees, and prohibit any form of discrimination. At the same time, we abide by the laws and regulations related to employment, including but not limited to the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law of the PRC on Promotion of Employment, the Law of the PRC on the Prevention and Control of Occupational Diseases and the Regulations on Prohibition of the Use of Child Labour, etc. We provide employees with market competitive remuneration and benefits, provide adequate career training and development opportunities, and pay attention to their physical and mental health, so that employees can grow together with the Group.

During the Reporting Period, the Group was not involved in any major violations with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, vacation, equal opportunity, diversity, anti-discrimination, other treatment and benefits.

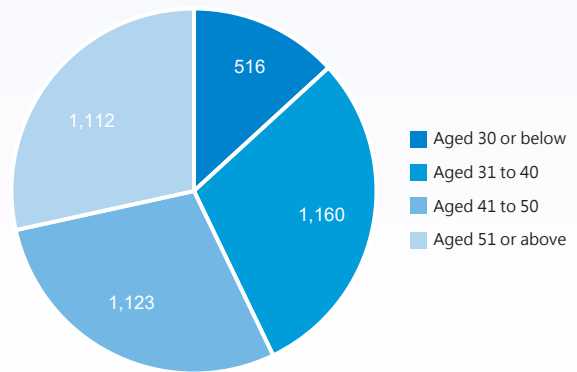
Employment Overview

As of 31 December 2025, the Group employed a total of 3,911 employees, of which 118 were part-time employees. The number of employees and turnover rates by gender, age and region are as follows:

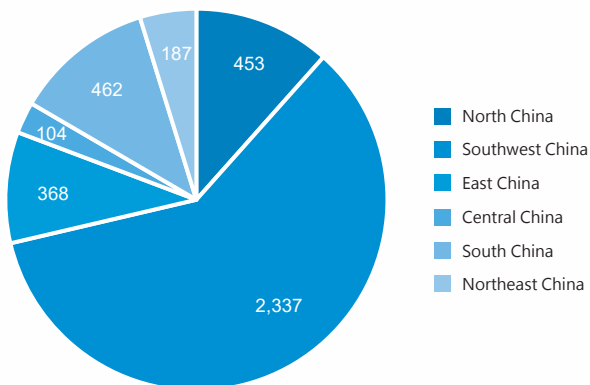
By Gender (Unit: person)



By Age Group (Unit: person)



By Region (Unit: person)



Environmental, Social and Governance Report

Employee turnover rate	2025	2024
By gender		
Male	26.9%	27.34%
Female	32.5%	25.69%
By region		
North China	26.3%	21.45%
Southwest China	22.7%	22.59%
East China	28.3%	31.30%
Central China	55.8%	54.21%
South China	71.2%	30.57%
Northeast China	12.8%	19.82%
By age group		
Under 30	56.2%	38.06%
31 – 40	25.9%	23.99%
41 – 50	17.7%	21.38%
Above 51	33.8%	26.53%

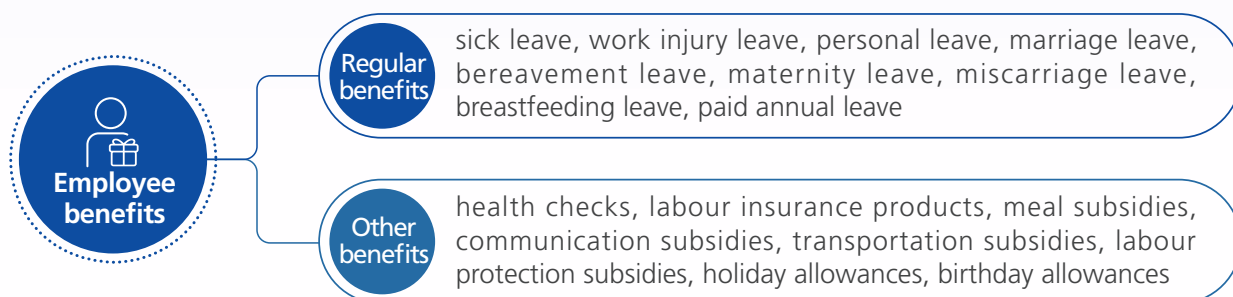
Recruitment

The Group has formulated the Labour Protection Management System of Hevol Services Group, upholds the principles of diversity and equality, respects the different backgrounds and cultures of its employees, and maintains a zero tolerance policy towards any form of discrimination based on gender, age, marital or family status, pregnancy, disability, race or religion.

We attract suitable talent to join the Group through diversified recruitment channels, including online platforms, media recruitment, internal employee competition, job fairs and campus recruitment. To enhance recruitment quality, we have established clear selection criteria, with both the hiring departments and the human resources team jointly reviewing candidates' professional capabilities, integrity records and legal work eligibility, ensuring that the overall recruitment process complies with applicable laws and regulations and the Group's standards of conduct.

Remuneration and Benefits

We provide competitive remuneration and benefits for employees to take care of their well-being. We regulate the management of remuneration and benefits through the Remuneration and Benefits Management Rules of Hevol Services Group, the Social Insurance and Housing Provident Fund Management Rules of Hevol Services Group and the Attendance and Leaves Management Rules of Hevol Services Group. We review the remuneration structure annually, and adjust remuneration levels with reference to market salary research and the Group's operating performance, thereby ensuring that our remuneration policies support talent development and the Group's long term strategy. The Group reviews remuneration and benefits system from time to time to effectively attract and retain the talent. We pay social insurance and housing provident fund for our employees in accordance with the Social Insurance Law of the PRC. In addition, employees can also enjoy the following benefits:



In addition to providing diversified benefits, we also hold a variety of employee activities from time to time to enhance employees' sense of belonging to the Group. We are also committed to establishing open and transparent work culture. We communicate with our employees in two-way through channels such as discussions, interviews and online communication to understand their opinions and expectations, and make appropriate responses to make the Group become the employer of choice for our employees.



Health and Safety

The Group is committed to providing employees with a healthy, safe and comfortable working environment and strictly complies with relevant laws and regulations such as the Law of the PRC on the Prevention and Control of Occupational Diseases and the Regulation on Industrial Injury Insurance. We have obtained the ISO45001: 2018 Occupational Health and Safety management system certification and formulated comprehensive occupational health and safety rules, including but not limited to the Emergency Response Plan, the Labour Protection Management Rules of Hevol Services Group and the Safety Protection Control Procedures of Hevol Services Group, etc., to guide employees to implement strict occupational health and safety management and protect the safety and health of employees.

Environmental, Social and Governance Report

During the Reporting Period, we were not aware of any major violations with laws and regulations of the Group relating to providing a safe working environment and protecting employees from occupational hazards.

The measures of occupational health and safety taken by us include but not limited to:

 <p>Health</p>	<ul style="list-style-type: none"> • Health check-ups for new employees • Health check-ups for staff susceptible to occupational disease and at special positions • Annual gynecological check-ups for female employees • Annual health check-ups for all staff of the Group • Provision of necessary labour protection equipment for employees such as uniforms, electrician shoes, gloves, cooling supplies and insect repellent, etc.
 <p>Safety</p>	<ul style="list-style-type: none"> • Prevent and respond to emergencies according to the Emergency Response Plan, including traffic accidents, casualties, natural disasters, power outages, water outages, explosions, elevator failures, etc. • Regularly identify safety risks, such as electricity leakage, car accidents, heat stroke, fire, etc., and develop control measures to reduce the possibility of risk occurrence and the impact on the Group's employees and community residents

During the Reporting Period, the Group recorded 9 minor work-related injuries, mainly involving falls, bumps, sprains, smashes, etc. The Group also visited the injured employees and paid close attention to the recovery of the injured employees.

Environmental, Social and Governance Report

Indicator	Unit	2025	2024	2023
Number of work-related fatality	Person	0	1	1
Work-related fatality rate	%	0.00%	0.02%	0.02%
Lost working days due to work-related injuries	Day	874	1,418	1,757

Development and Training

In order to maintain and enhance our business development, we encourage our employees to continue to learn the latest industry knowledge and technology for continuous improvement. We have formulated the Training Management System to provide employees with adequate training opportunities. The human resources department evaluates the learning needs of employees every year, formulates training plans according to the Group's business development strategy and market development, and arranges various internal and external trainings to improve employees' professional knowledge and skills, management ability, comprehensive quality, etc. Starting in 2024, the Group has implemented the "Hevol Warm Services" model. By strengthening employees' service awareness, improving their service skills, and establishing warm service evaluation and incentive mechanisms, employees are encouraged to actively provide warm-hearted services to property owners, convey the warmth of property services, continuously optimize the soft power of Hevol Services and improve market competitiveness.

Environmental, Social and Governance Report

During the Reporting Period, training courses covered new employee training, job skills training, personal quality, customer service, safety training, energy conservation and consumption reduction training, etc. The ratio of employees participating in the training was 100%.

	2025	2024
Average training hours (hours)		
Male	35.46	37.81
Female	29.76	36.72
Management	12.32	32.41
Middle management	10.11	43.49
Entry-level employees	35.38	36.57
Training ratio (%)		
Male	100%	100%
Female	100%	100%
Management	100%	100%
Middle management	100%	100%
Entry-level employees	100%	100%

Based on the value concept of “openness, innovation and co-creation”, we hope that our employees will grow together with the Group. Therefore, we attach great importance to the career development of employees within the Group, and have a sound career development ladder to match the career development path of employees. When there is a job vacancy, we follow the principle of “internal employees first and external employees second” and give priority to existing employees who are suitable. We have established the Performance Appraisal Management System to conduct monthly, quarterly and annual performance appraisals. The assessment indicators include financial indicators, customer service, management, training and learning, etc. The appraisal results will be used as an important reference for employees’ position adjustment and bonus distribution.

Labour Standards

The Group strictly prohibits the employment of child labour and forced labour and complies with the Law of the PRC on the Protection of Minors and the Provisions on the Prohibition of Using Child Labour. We have formulated the Labour Protection Management Rules of Hevol Services Group to verify the valid identity documents of job applicants during the process of recruitment, employment approval and reporting to ensure that they have reached legal working age and are not child labour. To avoid forced labour, we also set out the terms on working hours, leave, overtime compensation and termination in our Employee Code of Conduct and other human resources-related rules. Employees work 40 hours per week. If employees need to work overtime, we will provide overtime pay and transportation allowances in accordance with labour regulations.

If violations are found, the Group will immediately take child and forced labour away from the workplace and provide appropriate assistance. The Group will also report to relevant departments, and review and improve the vulnerabilities in employment practises. During the Reporting Period, the Group was not aware of any child or forced labour in the workplace.

QUALITY SERVICE

Service Quality

The Group adheres to the concept of “customer-centric” and is committed to strengthening the brand foundation through high-quality services. In order to maintain high-quality service, we have obtained ISO9001: 2015 Quality Management System certification, and standardised the service process and standards of employees through relevant systems such as the White Paper on Service Standards of Hevol Services Group, the Property Service Business Management Control Procedures and the Quality Inspection Management Control Procedures. The quality management department of the Group conducts monthly quality inspection on each property, including self-inspection by the property company, inspection by the quality management department and national inspection, to comprehensively evaluate the services of each property project to ensure compliance with standards. During the year, the quality inspection coverage rate reached 100%, and all key indicators met the Group’s internal standards.

This year, the Group launched the “Sincerity, Warmth and Excellence – A New Chapter of Quality” quality enhancement plan and established the “1393” quality upgrade model to further strengthen service standards and quality management requirements in a systematic manner. A warm service special committee was also set up to coordinate the implementation of standards, quality supervision, and cross regional alignment. In addition, the Group refined the standardized system for the five senses experience, incorporating service details, on site experience and customer interaction processes into quality requirements to enhance service consistency and perceptibility.

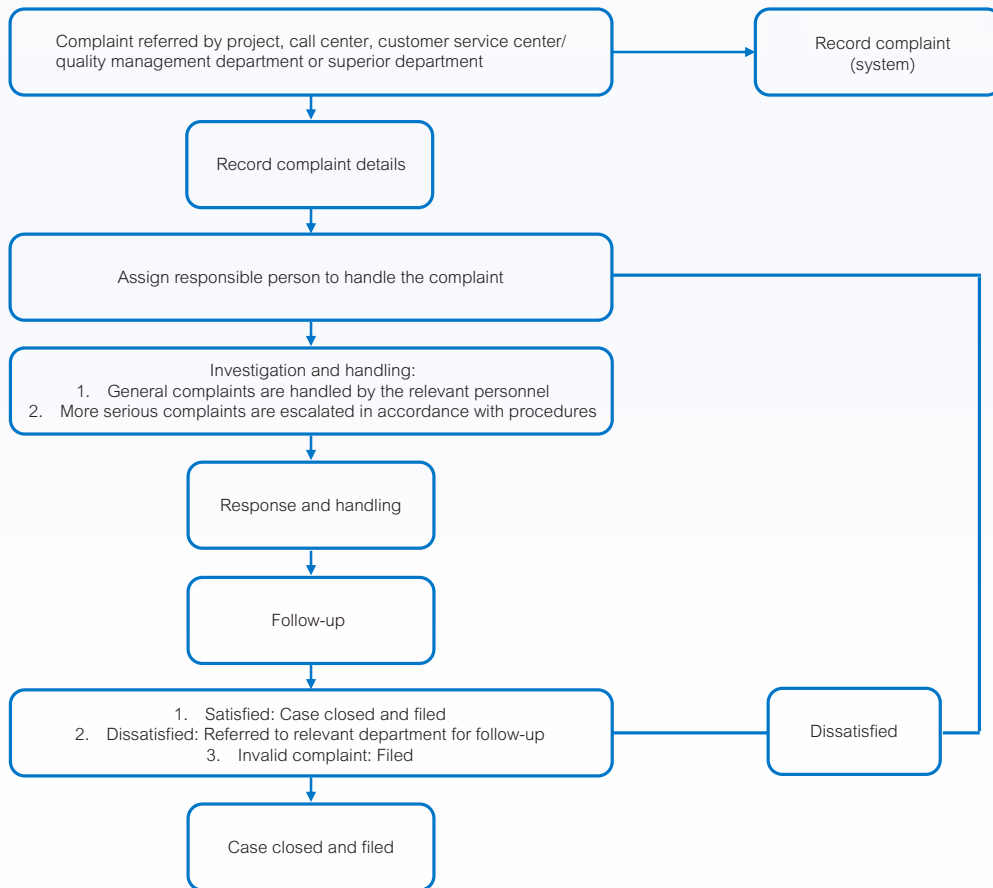
In terms of internal management, the Group continues to operate the three tier training system, conduct five tier inspection and implement the red yellow card rectification mechanism to enhance team professionalism and risk control capabilities. The Group has also introduced a dual axis (the “**Life Axis**” and “**Ecology Axis**”) risk prevention and control framework to strengthen forward looking management of safety and quality risks. Furthermore, the Group promotes the development of smart service benchmark projects to facilitate standardization and knowledge replication, thereby supporting continuous service quality improvement and consistent implementation across regions.

Customer Communication

The Group is committed to maintaining close communication with property owners and customers, and continuously gathers feedback and expectations to drive service quality enhancement. We operate a 24 hour 400 customer service hotline to centrally receive and follow up on various feedback. For complaints related to engineering management, environmental management, customer service and safety management, we have established clear time limits and division of responsibilities. Upon receiving a complaint, a project person in charge is assigned immediately to make contact with the property owner within one hour to understand the situation, and propose a solution within 24 hours. For major or collective complaints, escalation is initiated within 30 minutes with immediate communication. We follow the Procedures for Assessment and Control on Customers' Satisfaction to manage the entire process of acceptance, investigation, response, rectification and case closure, and strengthen oversight and assessment through data analysis to enhance handling efficiency and customer experience.

The Group conducts an annual customer satisfaction assessment, collects feedback through surveys, interviews and day to day interactions, and focuses on indicators such as response timeliness, resolution effectiveness and service professionalism to identify areas for improvement and continuously optimize processes and resource allocation. To safeguard customer data security, we have implemented tiered authorization, access logs and necessary encryption measures at the system level, along with information protection requirements for personnel operations, ensuring that customer data is properly managed. During the Reporting Period, the Group is not aware of any material non compliance incidents related to product and service quality, customer data protection or advertising.

Environmental, Social and Governance Report



Customer Complaint Handling Procedure of the Group

During the Reporting Period, we received 90 complaints on products and services, all of which were handled in a timely manner.

Number of complaints received	Unit	2025
Number of complaints received	Case	90
Complaint handling rate	%	100%
Complaint resolution rate	%	100%
Complaint satisfaction rate	%	81.9%

Safety Management

The Group places high importance on ensuring the safety of property owners and customers. We have formulated the Regulations on Tour Inspection and Examination of Equipment Facilities and the Emergency Response Plan, regularly inspect and maintain key facilities such as fire escapes, fire fighting equipment and underground spaces to identify and address potential risks. We have also established preventive and response arrangements for fires, extreme weather events, traffic accidents, crimes and equipment failures to ensure the safety of premises and personnel.

We continued to conduct safety and fire drills for each property project during the year, covering fire evacuation, equipment operation and emergency coordination, in order to help frontline teams master emergency response requirements and enhance safety awareness. The Group also strengthens safety management through risk identification, on site spot checks and internal reporting mechanisms, formulates rectification measures for identified hazards and follows up on their implementation to ensure that daily operations remain under control.

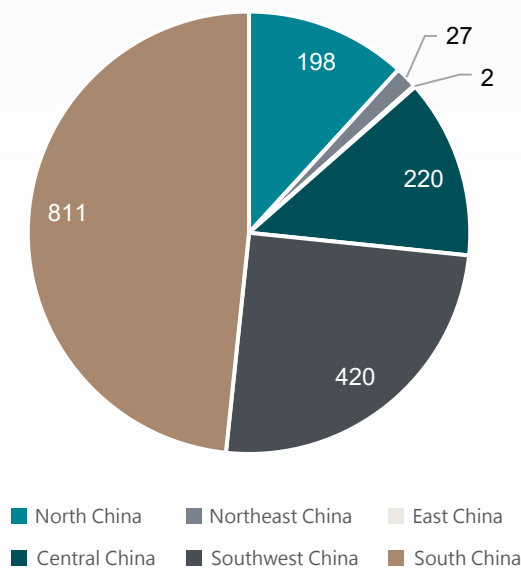
During the Reporting Period, the Group did not record any material safety incidents.

COMPLIANCE GOVERNANCE

Supply Chain Management

We will cooperate with suppliers of services such as security, cleaning and construction, as well as suppliers for office supplies. As of 31 December 2025, the Group cooperated with a total of 1,678 suppliers, all of which are located in mainland China. The distribution of suppliers by region is as follows:

Suppliers by region



As a market player in the property management services industry, we are committed to working with suppliers to promote the sustainable development of the supply chain through our influence. We will give priority to the procurement of more environmentally friendly products or materials, and energy-saving equipment, and actively introduce electric vehicle charging equipment in property projects, hoping to popularise electric vehicles and reduce fuel consumption. When selecting new suppliers, we will evaluate suppliers comprehensively, and the evaluation criteria cover environmental and social elements, including the prohibition of child labour and forced labour.

During the Reporting Period, we conducted a risk assessment on the environmental and social risks of our major suppliers. The Board and management are responsible for monitoring the environmental and social risks of the entire supply chain, reviewing the effectiveness of management measures, and continuously optimizing the risk management rules of suppliers. Based on the risk assessment results, we did not find any suppliers rated as high risk.

Environmental, Social and Governance Report

Apart from focusing on the environmental and social risks of our suppliers, we also attach great importance to the quality of their products and services. The Group has formulated systems such as the Tender and Procurement Management Procedures, the Supplier Management Regulations and the Qualified Supplier Management Control Procedures to regulate the selection, evaluation and management procedures of new and existing suppliers. We will conduct an on-site inspection of candidate suppliers to check their qualifications, reputation, work quality, business integrity, safety level, system certification, working environment and other areas. For existing suppliers, we also conduct monthly performance assessments and comprehensive performance assessments to ensure that they meet our requirements. The assessment scope includes:



If there is any quality, safety, security and fire accident of a supplier in the evaluation process, we will immediately require the suppliers to rectify the problems. In case of major problems or continuously failing to meet standards, we will consider terminating the cooperation with these suppliers. During the Reporting Period, we conducted on-site audits for 1,365 existing suppliers, representing approximately 81.3% of the total number of existing suppliers.

PRODUCT RESPONSIBILITY

Adhering to the customer-oriented tenet, we are committed to providing the best property management services to property owners and customers. We have complied with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided, including but not limited to the Regulations on Property Management, the Law on Protection of Consumer Rights and Interests of the PRC, the Advertising Law of the PRC, etc., and have formulated comprehensive quality management systems to maintain high-quality service quality and meet or even exceed customer's expectations.

We conduct an annual materiality review of product responsibility issues based on the nature of services, complaint records and operational risks. Due to the nature of business, advertising, product labelling and intellectual property are not material issues to the Group. However, the Group will continue to monitor these matters and update disclosures as circumstances change.

During the Reporting Period, we were not aware of any material violations of laws and regulations related to product responsibility.

Privacy Protection

In order to protect the privacy of property owners and customers at all times, we have formulated a series of privacy protection systems, including the Confidentiality Management Rules and the Regulation on Management of Documents of Hevol Services Group, requiring relevant employees and partners to sign confidentiality agreements, and not to disclose the information of property owners and customers to third parties without authorization, including but not limited to the property owners' name, phone number, ID card number, address, and copies of certificates.

If the relevant personnel need to use such information, they must follow the proper procedures to obtain authorization and approval. We have also formulated a comprehensive information network security system to protect the integrity and availability of data and ensure data security. In case of data leakage, follow-up actions and investigations will be carried out in a timely manner to prevent the recurrence of similar incidents. During the Reporting Period, we were not aware of any complaints in relation to breaches of customer privacy or leaks of customer information.

In addition, we have established internal control points for data classification, access rights and retention periods, and provide regular training to frontline and customer service personnel to enhance compliance awareness and operational proficiency.

Anti-corruption

The Group strictly abides by the laws and regulations related to anti-corruption, maintains business ethics and integrity, builds a healthy and honest corporate culture, and eliminates all corruption and other violations of laws and regulations such as bribery, fraud, extortion, conflicts of interest and money laundering, strictly complying with the requirements of relevant laws and regulations such as the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Company Law of the PRC to establish a compliant operating environment.

We have formulated the Corporate Anti-Fraud Rules, which clearly defines the code of conduct for employees. It requires employees to uphold the highest ethical standards at all times, and not to accept gifts or benefits, gifts or entertainment from other third parties. The audit department and relevant personnel are assigned to strictly deal with whistle-blowing involving professional ethics issues. In case of any suspected corruption or violation, employees can whistle-blow to the Group through telephone, email and other online channels. Investigations are conducted and reported to the management in a timely manner. To protect the interests of the whistleblower, we will keep their identity confidential and strictly prohibit any form of retaliation.

To enhance the knowledge and awareness of business ethics and integrity of the management and employees, relevant training courses are arranged. During the Reporting Period, we arranged one-hour training on integrity for the management and employees, with a training coverage rate of 100%.

During the Reporting Period, we were not aware of any material violations of laws and regulations involving corruption, extortion, fraud and money laundering.

GIVING BACK TO SOCIETY

Community Investment

As a property service provider, the Group always cares about the community and gives back to the community through various community investment activities. We have formulated the Regulation on Management of Community Culture Activities to standardise the principles and provide guidance for the Group's community investment and other community cultural activities. Each community regularly organises festival celebrations, community beautification activities, community care activities, cultural activities, etc., to engage with community residents, strengthen the cohesion of the community, as well as provide care to the communities in need. During the Reporting Period, we actively organised the cultural activities of the community, the environmental protection activities and cared for vulnerable groups.

Total hours of community investment (hours)	Number of Participants (persons)
24,473	5,477

Community Culture

Various property projects will hold community cultural activities to strengthen the ties among residents. During the Reporting Period, we provided holiday gifts to community residents and organized holiday celebrations to send them blessings. We also organized various community activities from time to time, such as film viewing, cultural evenings, sports meetings and sports activities.

Environmental Protection

Each community will hold environmental protection activities, such as tree planting and community beautification activities, to practice green life with residents. During the Reporting Period, we invited residents to participate in tree planting activities and environmental promotion activities to build a better and greener community.

Vulnerable Groups

Employees in all communities participated in different voluntary activities and did their best to support groups in need. During the Reporting Period, we encouraged our employees to serve as volunteers to undertake visits and voluntary services, so as to send warmth to the elderly in the community.

REFERENCES TO THE METHOD OF CALCULATION AND EMISSION FACTORS OF ENVIRONMENTAL KEY PERFORMANCE INDICATORS

- Unless otherwise specified, the methods and emission factors used in calculation of environmental key performance indicators set out in the ESG Report are determined with reference to “How to prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental KPIs” published by the Stock Exchange.
- The GFA of the properties under management during the year and the headquarters office in Beijing is used as the base unit for the consumption intensity of emissions and resources.
- The Group’s greenhouse gas emissions calculation methodology primarily references the principles and methods set out in The Greenhouse Gas Protocol, combined with applicable local and international emission factor data for the calculations. With respect to specific emission factors, depending on the nature of the Group’s different businesses and operating regions, the calculations are based on a number of authoritative technical sources, including the “Pollution Coefficient and Use Instructions for Domestic Sources” issued by the South China Institute of Environmental Sciences of the Ministry of Environmental Protection, “Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industries” issued by the General Office of the National Development and Reform Commission and EMEP/EEA Air Pollutant Emission Inventory Guidebook published by European Environment Agency.
- The grid’s greenhouse gas emissions factors refer to the “Notice on the Release of CO₂ Emission Factors for Electricity in 2022” issued by Ministry of Ecology and Environment.
- For projects where actual energy consumption data at specific operating locations could not be obtained, the Group refers to representative public institution disclosure data as the basis for estimating the relevant indirect energy consumption.
 - The greenhouse gas emission coefficient per unit of electricity consumption for the treatment of freshwater refers to the annual report of Hong Kong Water Supplies Department 2022/23.
 - The greenhouse gas emission coefficient per unit of electricity consumption for sewage treatment refers to the Hong Kong Drainage Services Department’s Sustainability Report 2022/23.
- The energy consumption conversion coefficient refers to the “Technical Note on Conversion of Fuel Data to MWh” issued by CDP.

INDEX OF ESG REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
A. Environmental			
Aspect A1: Emissions			
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	Emissions Management Waste Management Environmental Objectives	P.69-70; 74-75; 91-92
KPI A1.1	The types of emissions and respective emissions data.		
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.		
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.		

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Aspect A2: Use of Resources		
General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used for production, storage, transportation, buildings, electronic equipment, etc.</p>	Energy Management Water Management Environmental Objectives
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
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.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
B. Social		
Employment and Labour Practices		
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.	Walk Hand in Hand P.94-97
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the provision of a safe working environment and protection of employees from occupational hazards.	Health and Safety	P.97-99
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.		
KPI B2.2	Lost days due to work injury.		
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training and can include internal or external courses paid by the employer.	Development and Training	P.99-101
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		
KPI B3.2	The average training hours completed per employee by gender and employee category.		

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
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 the prevention of child and forced labour.	Labour Standards	P.101
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	P.106-107
KPI B5.1	Number of suppliers by geographical region.		
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.		
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) 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	P.108
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No products of the Group have to be recalled for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Communication	P.103-105
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Due to the nature of business, intellectual property right is not a major concern of the Group.	N/A
KPI B6.4	Description of quality assurance process and recall procedures.	The Group is not involved in product testing and recall.	N/A
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy Protection	P.108

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to prevention of bribery, extortion, fraud and money laundering.	Anti-corruption	P.109
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.		
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.		
KPI B7.3	Description of anti-corruption training provided to directors and staff.		
Community			
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.	Giving Back to Society	P.110
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
<p>19 An issuer shall disclose information about:</p> <p>(a) 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. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>Note: The responsibilities of such body(s) or individual(s) should be reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</p>	<p>Climate Change Governance System; Board Statement</p> <p>Capabilities and Professional Support</p> <p>Board Oversight; Management Coordination</p> <p>Strategy and Resilience; Climate Change Strategies; Sustainability Risk Management</p> <p>Environmental Objectives; Greenhouse Gas Emissions; Board Statement</p>	<p>P.75-76; 61</p> <p>P.76</p> <p>P.75-76</p> <p>P.77; 84-88; 89-90</p> <p>P.91-92; 93-94; 61</p>

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
<p>(b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	<p>Management Coordination; Sustainability Governance Framework</p> <p>Management Coordination; Roles and Responsibilities of the Climate and Resilience Working Group</p> <p>Risk Management; Integration with Enterprise Risk Management</p>	<p>P.76; 62</p> <p>P.76</p> <p>P.89-90</p>
<p>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. Specifically, the issuer shall:</p> <p>(a) describe 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;</p> <p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p> <p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p>	<p>Climate Change Strategies; Physical Risk Identification; Transition Risk Identification; Climate-Related Financial Impact</p> <p>Physical Risk Identification; Transition Risk Identification</p> <p>Key Focus Areas and Directional Impacts by Time Horizon; Strategy and Resilience; Coverage and Time Frame</p>	<p>P.77-88; 89</p> <p>P.82-83; 87</p> <p>P.78; 77; 81</p>

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Strategy and Resilience; Coverage and Time Frame; Scenario Analysis	P.77; 81; 78-80
Business model and value chain		
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. Specifically, the issuer shall disclose:		
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Strategy and Resilience; Physical Risk Identification; Transition Risk Identification; Climate-Related Financial Impact	P.77; 82-83; 87; 89
(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Physical Risk Identification; Coverage and Time Frame; Strategy and Resilience	P.82-83; 81; 77

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
Strategy and decision-making		
<p>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. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p>	<p>Strategy and Resilience; Climate-Related Financial Impact</p> <p>Emissions Management; Energy Management; Water Management; Waste Management; Environmental Objectives; Strategy and Resilience</p> <p>Climate-Related Financial Impact; Greenhouse Gas Emissions (negative statement)</p> <p>Environmental Objectives; Energy Management; Emissions Management; Greenhouse Gas Emissions</p>	<p>P.77; 89</p> <p>P.69-75; 91-92; 77</p> <p>P.89; 94</p> <p>P.91-92; 69-72; 93-94</p>

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Board Statement; Environmental Objectives; Emissions Management; Energy Management; Water Management; Waste Management; Greenhouse Gas Emissions	P.61; 69-75; 93-94
Financial position, financial performance and cash flows		
Current financial effect		
24. An issuer shall disclose qualitative and quantitative information about:		
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Climate-Related Financial Impact	P.88
(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-Related Financial Impact (negative statement)	P.89
Anticipated financial effect		
25. The issuer shall provide qualitative and quantitative disclosures about:		
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	Climate-Related Financial Impact; Strategy and Resilience; Scenario Analysis	P.89; 77-88
(i) its investment and disposal plans; and		
(ii) its planned sources of funding to implement its strategy; and		
(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.		

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
Climate resilience		
<p>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. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of: <ul style="list-style-type: none"> (i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and (iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; 	Scenario Analysis; Strategy and Resilience	P.77-88

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
<p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <p>(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;</p> <p>(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p>(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</p> <p>(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p>(6) time horizons the issuer used in the analysis; and</p> <p>(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	<p>Scenario Setting and Basis; Coverage and Time Frame; Scenario Analysis</p>	<p>P.78-81</p>

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
(III) Risk Management		
<p>27. An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <p>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</p> <p>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</p> <p>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</p> <p>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;</p> <p>(v) how the issuer monitors climate-related risks; and</p> <p>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;</p>	<p>Risk Management; Integration with Enterprise Risk Management; Physical Risk Identification; Transition Risk Identification</p>	<p>P.89-90; 82-83; 87</p>

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
<p>(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); and</p> <p>(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.</p>	<p>Strategy and Resilience; Impact and Implementation Measures for Transition Opportunities; Scenario Analysis</p> <p>Risk Management; Integration with Enterprise Risk Management; Board Oversight; Management Coordination</p>	<p>P.77; 78-88; 88</p> <p>P.89-90; 75-76</p>
(IV) Metrics and Targets		
Greenhouse gas emissions		
<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <p>(a) Scope 1 greenhouse gas emissions;</p> <p>(b) Scope 2 greenhouse gas emissions; and</p> <p>(c) Scope 3 greenhouse gas emissions.</p>	<p>Greenhouse Gas Emissions</p>	<p>P.93-94</p>

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
<p>29. An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	<p>Greenhouse Gas Emissions; References to the Method of Calculation and Emission Factors of Environmental Key Performance Indicators</p>	<p>P.93-94; 111</p>

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
Climate-related transition risks		
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Transition Risk Identification; Climate-Related Financial Impact (explanatory disclosure)	P.87; 89
Climate-related physical risks		
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Physical Risk Identification; Climate-Related Financial Impact (explanatory disclosure)	P.82-83; 89
Climate-related opportunities		
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Impact and Implementation Measures for Transition Opportunities; Strategy and Resilience; Climate-Related Financial Impact (explanatory disclosure)	P.88; 77; 89
Capital deployment		
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate-Related Financial Impact (explanatory disclosure); Strategy and Resilience	P.89; 77

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
Internal carbon prices		
34. An issuer shall disclose:		
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	N/A	N/A
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	N/A	N/A
or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.		
Remuneration		
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).	N/A	N/A
Industry-based metrics		
36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Basis of Preparation	P.55

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
Climate-related targets		
<p>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. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. 	<p>Environmental Objectives; Greenhouse Gas Emissions; Board Statement</p>	<p>P.91-94; 61</p>

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. 	<p>Environmental Objectives; Board Statement; Greenhouse Gas Emissions; Energy Management</p>	<p>P.91-94; 61; 71-72</p>
<p>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.</p>	<p>Environmental Objectives; Greenhouse Gas Emissions; Energy Management; Water Management; Waste Management</p>	<p>P.91-94; 71-75</p>
<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and 	<p>Environmental Objectives; Greenhouse Gas Emissions (negative statement)</p>	<p>P.91-94</p>

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement	Page
Part D: Climate-related Disclosures		
<p>(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</p> <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 		
Applicability of cross-industry metrics and industry-based metrics		
<p>41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	Basis of Preparation	P.55

Report of the Directors

The board (the “**Board**”) of directors (the “**Directors**”) of Hevol Services Group Co. Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to present the annual report of the Company together with the audited consolidated financial statements for the year ended 31 December 2025.

GLOBAL OFFERING

The Company carried out the global offering on 12 July 2019, comprising of 100,000,000 shares at HK\$1.28 per share. The net proceeds from the global offering (as defined in the Prospectus) were approximately HK\$75.8 million (equivalent to approximately RMB66.6 million), which were intended to be utilised for the purposes as set out in the Prospectus. As disclosed in the annual report of the Company for the year ended 31 December 2022, as at 31 December 2022, all of the net proceeds from the listing have been utilised in the manner consistent with that as set out in the Prospectus.

PRINCIPAL ACTIVITIES

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

The activities and particulars of the Company’s subsidiaries are set out in note 31 to the consolidated financial statements in this annual report. An analysis of the Group’s revenue for the year by principal activities is set out in note 4 to the consolidated financial statements in this annual report.

BUSINESS REVIEW

A review of the Group’s business during the year, which includes a discussion of the principal risks and uncertainties facing by the Group, an analysis of the Group’s performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group’s business, could be found in the sections headed “Chairman’s Statement”, “Management Discussion and Analysis” and “Corporate Governance Report” in this annual report. The review and discussion form part of this directors’ report.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and equity of the Group for the last five financial years is set out on pages 274 to 276 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROCEEDS FROM THE LISTING

The Company was successfully listed on the main board of the Stock Exchange on 12 July 2019 and issued 100,000,000 new shares. The net proceeds from the listing amounted to approximately HK\$75.8 million (equivalent to approximately RMB66.6 million) after deducting share issuance costs, listing expenses and underwriting commissions. As disclosed in the annual report of the Company for the year ended 31 December 2022, as at 31 December 2022, all of the net proceeds from the listing have been utilised in the manner consistent with that as set out in the Prospectus.

MAJOR SUPPLIERS AND CUSTOMERS

We have developed and benefited from solid working relationships with many customers. During the Reporting Period, the Group's largest customer, Hevol Real Estate Group Limited (和泓置地集團有限公司) ("**Hevol Real Estate**"), which is a connected person of the Company, accounted for approximately 1.3% of the Group's total revenue. The Group's five largest customers accounted for approximately 4.3% of the Group's total revenue.

We have maintained stable relationships with our major suppliers and procured a wide range of services, mainly including security, cleaning and construction. During the Reporting Period, the Group's largest supplier accounted for approximately 2.8% of the Group's total purchase. The Group's five largest suppliers accounted for approximately 8.6% of the Group's total purchase.

Save for Hevol Real Estate, during the Reporting Period, none of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or five largest customers.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the annual general meeting of the Company to be held on Friday, 29 May 2026 (the "**AGM**"). In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 pm on Friday, 22 May 2026.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 169 in this annual report.

DIVIDEND

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

DIVIDEND POLICY

Subject to the Companies Act, Cap 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Company may declare dividends in any currency through a general meeting but no dividend shall be declared in excess of the amount recommended by the Board. The Articles provide that dividends may be declared and paid out of profit, realised or unrealised, or from any reserve of the Company lawfully available for distribution including share premium.

The declaration of dividends is subject to the discretion of the Directors, and the amounts of dividends actually declared and paid will also depend upon the following factors:

- the Group's general business conditions;
- the Group's financial results;
- the Group's capital requirements;
- interests of the Shareholders; and
- any other factors which the Board may deem relevant.

Future dividend payments to Shareholders will also depend upon the availability of dividends received from the Company's subsidiaries in the PRC. PRC laws require that dividends be paid out of the net profit calculated according to PRC accounting principles, which differ in certain aspects from IFRSs. PRC laws also require enterprises located in the PRC to set aside part of their net profit as statutory reserves before they distribute the net proceeds. These statutory reserves are not available for distribution as cash dividends. Furthermore, distributions from the Company's subsidiaries may be restricted if they incur debts or losses or as a result of any restrictive covenants in bank credit facilities or other agreements that the Company or its subsidiaries may enter into in the future.

Any final dividend for any fiscal year will be subject to Shareholders' approval.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 24 to the consolidated financial statements in this annual report.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 172 to 173 in this annual report.

As at 31 December 2025, the distributable reserves of the Company amounted to approximately RMB332.7 million (2024: RMB332.7 million).

BORROWINGS

Details of the borrowings of the Group during the year ended 31 December 2025 are set out in note 22 to the consolidated financial statements of the Group. Our borrowings were denominated in RMB. As at 31 December 2025, 100% (31 December 2024: 100%) of the Group's borrowings were on fixed interest rates.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out in note 12 to the consolidated financial statements in this annual report.

RETIREMENT BENEFIT SCHEME

The Group is required to participate in the Mandatory Provident Fund in Hong Kong for any employee in Hong Kong and the employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

Details of retirement benefit scheme of the Group are set out in note 7 to the consolidated financial statements in this annual report.

Report of the Directors

During the financial year ended 31 December 2025, no contribution was forfeited (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) under the retirement benefit schemes in the PRC and in Hong Kong which may be used by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 to the Listing Rules. Accordingly, no forfeited contribution was utilised during the year, and as at 31 December 2025, there was no forfeited contribution available to reduce the Group's existing level of contributions to the retirement benefit schemes (2024: Nil).

DIRECTORS

During the year ended 31 December 2025 and up to the date of this annual report, the Board consisted of the following seven Directors:

Executive Directors

Mr. Wang Wenhao (*Chief Executive Officer*)

Ms. Hu Hongfang (*Chief Financial Officer*)

Non-executive Directors

Mr. Liu Jiang ("**Mr. Liu**") (*Chairman*)

Mr. Zhou Wei

Independent Non-executive Directors

Mr. Qian Hongji

Mr. Fan Chi Chiu

Dr. Chen Lei

In accordance with article 83(3) of the Articles, all Directors shall retire by rotation, and being eligible, have offered themselves for re-election at the AGM. Details of the Directors to be re-elected at the AGM are set out in the circular to the Shareholders dated 27 April 2026.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 29 to 33 in the section headed “Biography of Directors and Senior Management” to this annual report.

DISCLOSURE OF INFORMATION ON DIRECTORS

Dr. Li Yongrui was resigned as an independent non-executive Director and ceased to be the chairman of the nomination committee of the Board and the remuneration committee of the Board with effect from 26 September 2025.

Ms. Hu Hongfang, our executive Director, was appointed as a member of the remuneration committee of the Board and a member of nomination committee of the Board on 30 June 2025 and 26 September 2025 respectively.

Mr. Qian Hongji, our independent non-executive Director, was appointed as a chairman of the nomination committee of the Board on 26 September 2025.

Dr. Chen Lei, our independent non-executive Director, was appointed as a member of the nomination committee of the Board and the chairman of the remuneration committee of the Board on 26 September 2025.

Mr. Fan Chi Chiu, our independent non-executive Director, has been acting as an independent non-executive director of Xuanzhu Biopharmaceutical Co., Ltd., the shares of which are listed on the Stock Exchange (stock code: 2575), since October 2025.

Save as disclosed above, the Company is not aware of any change in the Directors’ information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent from the date of their appointment to 31 December 2025 and remain so as of the date of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

Each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing from the Listing Date and continue thereafter, which may be terminated by not less than three months' notice in writing served by either party on the other. The appointments of the Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

None of the Directors has an unexpired service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

MANAGEMENT CONTRACTS

Other than the Directors' service contract and letters of appointment, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence at any time during the year ended 31 December 2025.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, a permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has purchased Directors' and officers' liability insurance to provide protection against claims arising from the lawful discharge of duties by the Directors.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics. Details of the Directors' emoluments and emoluments of the highest paid individuals in the Group by band are set out in note 11 to the consolidated financial statements in this annual report.

Pursuant to Code Provision E.1.5 of the CG Code, the annual remuneration of the senior management by band for the year ended 31 December 2025 is set out below:

Remuneration	Number of senior management
Nil to RMB500,000	1
RMB500,001 to RMB1,000,000	0
RMB1,000,001 to RMB1,500,000	3

For the year ended 31 December 2025, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments for the year ended 31 December 2025.

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

Report of the Directors

HUMAN RESOURCES

The Group had 3,911 employees as at 31 December 2025 (31 December 2024: 4,951). The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees included basic salaries, allowances, bonus and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group was set up by the Board on the basis of their merit, qualification and competence.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLING SHARES AND DEBENTURES

As at 31 December 2025, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), which (a) were 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 he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the issued shares

Name of Director	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
Mr. Liu ⁽¹⁾	Interest in a controlled corporation	286,439,934	51.15%

Note:

1. The entire issued share capital of Brilliant Brother Group Limited ("Brilliant Brother") is held by Mr. Liu. Accordingly, Mr. Liu is deemed to be interested in all the Shares held by Brilliant Brother under the SFO.

Long position in associated corporation

Name of Director	Nature of interest	Associated corporation	Number of ordinary shares held	Approximate percentage of shareholding
Mr. Liu ⁽¹⁾	Beneficial owner	Brilliant Brother	1	100.00%

Note:

1. Brilliant Brother, a company whose entire issued share capital is held by Mr. Liu, is the ultimate holding company of the Company and thus an associated corporation of the Company under the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company held or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which were taken or deemed to have taken under such provisions of SFO), or which were required, pursuant to Section 352 of SFO, to be entered into the register maintained by the Company, or which were required to be notified to the Company and the Stock Exchange pursuant to Model Code.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, according to the register kept under Section 336 of the SFO, the following companies and persons (other than the Directors and chief executives of the Company) had long positions of 5% or more in the Shares and underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Interests and long positions in the Shares

Shareholder Name	Capacity	Number of shares held or interested	Approximate percentage of shareholding
Mr. Liu ⁽¹⁾	Interest of controlled corporation	286,439,934	51.15%
Brilliant Brother	Beneficial owner	286,439,934	51.15%
Mrs. Liu Hong (劉宏) ⁽²⁾	Interest of spouse	286,439,934	51.15%

Report of the Directors

Notes:

- (1) The entire issued share capital of Brilliant Brother is held by Mr. Liu. Therefore, Mr. Liu is deemed to be interested in the shares held by Brilliant Brother in the Company under the SFO.
- (2) By virtue of the SFO, Mrs. Liu Hong (劉宏) is deemed to be interested in the Shares held by her spouse, Mr. Liu, whose interests are disclosed in the above section headed "Directors' and Chief Executives' Interests and Short Position in Shares, Underlying Shares and Debentures of the Company".

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

DIRECTOR'S INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Other than disclosed in the section headed "Material Related Party Transactions", in note 29 to the consolidated financial statements in this annual report and the connected transactions as disclosed in the section headed "Connected Transactions" in the directors' report, no other transaction, arrangement and contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

CONTRACT WITH CONTROLLING SHAREHOLDERS

Other than disclosed in the section headed “Material Related Party Transactions”, in note 29 to the consolidated financial statements in this annual report and the connected transactions as disclosed in the section headed “Connected Transactions” in the directors’ report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries during the year ended 31 December 2025 or subsisted at the end of the year and no contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or any of their subsidiaries was entered into during the year ended 31 December 2025 or subsisted at the end of the year.

CONNECTED TRANSACTIONS

During the Reporting Period, the Company has strictly complied with the requirements specified under Chapter 14A of the Listing Rules in respect of its connected transaction. Details of the relevant connected transaction are as follows:

One-off Connected Transactions

Disposal of Jiangsu Shenhua Times Property Group Co., Ltd. (江蘇深華時代物業集團有限公司) (the “Jiangsu Shenhua Disposal”)*

On 9 May 2025, Beijing Hongsheng Investment Limited* (北京泓升投資有限責任公司) (being an indirect wholly-owned subsidiary of the Company) (“**Beijing Hongsheng**”) (as the vendor) entered into a sale and purchase agreement (the “**Jiangsu Shenhua Sale and Purchase Agreement**”) with Jingjiang Zhihui Network Technology Co. Ltd.* (靖江智匯網絡科技有限公司) (“**Jingjiang Zhihui**”) (as the purchaser) and Jiangsu Shenhua Times Property Group Co., Ltd.* (江蘇深華時代物業集團有限公司) (“**Jiangsu Shenhua**”) (as the target company), pursuant to which Beijing Hongsheng agreed to sell, and Jingjiang Zhihui agreed to acquire, a total of 51% equity interest of Jiangsu Shenhua at a total consideration of RMB30,500,000.

Report of the Directors

As at the date of the Jiangsu Shenhua Sale and Purchase Agreement, Jingjiang Zhihui was wholly owned by Ms. Wu Jianxiang* (武建香) (“**Ms. Wu**”). As at the date of the Jiangsu Shenhua Sale and Purchase Agreement, Jiangsu Shenhua was owned as to 51.00%, 1.92%, 17.28% and 29.80% by Beijing Hongsheng, Ms. Wu, Mr. Yu Feng* (于烽) (“**Mr. Yu**”) and three ordinary resident of the PRC, respectively. Mr. Yu was therefore a substantial shareholder of Jiangsu Shenhua holding a 17.28% equity interest and a connected person of the Company at the subsidiary level. As Mr. Yu was the spouse of Ms. Wu, Jingjiang Zhihui, which was wholly owned by Ms. Wu, was a connected person of the Company at the subsidiary level under the Listing Rules. Thus, the Jiangsu Shenhua Disposal constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

For details, please refer to the announcements of the Company dated 9 May 2025 and 20 May 2025. The Jiangsu Shenhua Disposal was completed on 28 May 2025.

Acquisition of Guiyang Xinglong Property Management Co., Ltd.* (貴陽興隆物業管理有限公司) (the “Guiyang Xinglong Acquisition”)

On 11 June 2025, Hehong Furuiying (Guizhou) Information Consultancy Limited* (和泓福瑞盈 (貴州) 信息諮詢有限公司) (being an indirect wholly-owned subsidiary of the Company) (“**Hehong Furuiying**”) (as the purchaser) entered into a sale and purchase agreement (the “**Guiyang Xinglong Sale and Purchase Agreement**”) with Mr. Qu Peijun* (屈培軍先生) (the “**Seller**”) and Guiyang Xinglong Property Management Co., Ltd.* (貴陽興隆物業管理有限公司) (“**Guiyang Xinglong**”) (as the target company), pursuant to which the Seller agreed to sell, and Hehong Furuiying agreed to acquire, a total of 30% equity interest of Guiyang Xinglong at a total consideration of RMB60,189,700.

As at the date of the Guiyang Xinglong Sale and Purchase Agreement, Guiyang Xinglong was owned as to 70% by the Company and 30% by the Seller. Accordingly, the Seller was a connected person of the Company at the subsidiary level under the Listing Rules, and the Guiyang Xinglong Acquisition constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 11 June 2025. The Guiyang Xinglong Acquisition was completed on 26 June 2025.

Disposal of Zhongshan Zhongzheng Property Management Co., Ltd.* (中山市中正物業管理有限公司) (the “Zhongshan Zhongzheng Disposal”)

On 14 November 2025, Hehong Furuiying (as the vendor) entered into a sale and purchase agreement (the “**Zhongshan Zhongzheng Sale and Purchase Agreement**”) with Zhongshan Furun Property Service Co., Ltd.* (中山市福潤物業服務有限公司) (“**Zhongshan Furun**”) (as the purchaser) and Zhongshan Zhongzheng Property Management Co., Ltd.* (中山市中正物業管理有限公司) (“**Zhongshan Zhongzheng**”) (as the target company), pursuant to which Hehong Furuiying agreed to sell, and Zhongshan Furun agreed to acquire, a total of 51% equity interest of Zhongshan Zhongzheng at a total consideration of RMB7,877,400.

As at the date of the Zhongshan Zhongzheng Sale and Purchase Agreement, Zhongshan Zhongzheng was owned as to 51% and 49% by Hehong Furuiying and Zhongshan Zhengsheng City Environmental Service Ltd.* (中山市正升城市環境服務有限公司) (“**Zhongshan Zhongzheng City**”) respectively, and Zhongshan Zhengsheng City was owned as to 38%, 33% and 29% by Mr. Huang Jiahong* (黃加紅先生), Mr. Yang Xuepeng* (楊學鵬先生) and Mr. Song Yunhan* (宋運漢先生), respectively. As at the date of the Zhongshan Zhongzheng Sale and Purchase Agreement, Zhongshan Furun was owned as to 50% by Ms. Yan Lanxin * (楊蘭心女士) and 50% by Mr. Song Yunbin* (宋運斌先生). As Ms. Yang Lanxin was the niece of Mr. Yang Xuepeng and Mr. Song Yunbin was a cousin of Mr. Song Yunhan, Zhongshan Furun was deemed as a connected person of Zhongshan Zhengsheng and was therefore, a connected person of the Company at the subsidiary level. Thus, the Zhongshan Zhongzheng Disposal constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 14 November 2025. The Zhongshan Zhongzheng Disposal was completed on 15 December 2025.

Report of the Directors

Continuing Connected Transactions Fully Exempt from the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements

Transitional Trademark Licencing Agreement

The trademark used by the Group in the PRC was owned by Hevol Holding Group Limited (和泓控股集團有限公司) (“**Hevol Investment**”). On 30 November 2018, Beijing Hongsheng, the Company’s indirect wholly-owned subsidiary, entered into an agreement with Hevol Investment under which Hevol Investment agreed to transfer the trademark to Beijing Hongsheng at nil consideration (the “**Trademark Transfer Agreement**”).

Pursuant to the Trademark Transfer Agreement, pending the completion of the registration of Beijing Hongsheng as the new registered owner of the trademark in the PRC, Hevol Investment granted the Group an exclusive licence for the use of the trademark on a royalty-free basis (the “**Transitional Trademark Licencing Arrangement**”). Such exclusive licence shall be valid until the completion of the registration of Beijing Hongsheng as the registered owner of the trademark in the PRC.

As the entire equity interest of Hevol Investment was ultimately owned by Mr. Liu, the Group’s ultimate Controlling Shareholder, Hevol Investment was an associate of Mr. Liu and a connected person of the Company. The transaction under the Transitional Trademark Licencing Arrangement constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the licence trademarks was granted to the Group on a royalty-free basis under the Trademark Transfer Agreement, such transaction was within the de minimis threshold provided under Rule 14A.76 of the Listing Rules and was exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Lease Agreements in Relation to Jiaoda Jiayuan (交大嘉園)

Beijing Hevol Property Services Company Limited (北京和泓物業服務有限公司) (“**Beijing Hevol Property Services**”), a wholly-owned subsidiary of the Group and Hevol Real Estate entered into certain operation and management agreements in relation to (i) a clubhouse located at Jiaoda Jiayuan, one of the residential properties developed by Hevol Real Estate and its subsidiaries (“**Hevol Real Estate Group**”) and managed by the Group, and (ii) the heating facilities in a boiler house, which served as the heat generator of the collective heating system of Jiaoda Jiayuan, during the period from 15 November each year to 15 March of the following year. Under such agreements, Hevol Real Estate granted Beijing Hevol Property Services the right to occupy, operate and manage the clubhouse and the heating facilities and Beijing Hevol Property Services had the right to enjoy all the income generated from such properties, including the heating fees received from the residents, the subsidies received from the government for the heating facilities in accordance with the local regulations and policies, as well as the services fees received from the residents for enjoying the facilities in the clubhouse. In return, Beijing Hevol Property Services shall pay annual fees to Hevol Real Estate.

Upon the expiration of the operation and management agreements for the clubhouse and the heating facilities referred to above, on 29 January 2019, Beijing Hevol Property Services and Hevol Real Estate entered into two lease agreements, one for the clubhouse (the “**Clubhouse Lease Agreement**”) and one for the heating facilities (the “**Heating Facilities Lease Agreement**”), providing rights and obligations for both parties similar to that under the operation and management agreements described above.

Beijing Hevol Property Services and Hevol Real Estate entered into agreements to renew the Clubhouse Lease Agreement (the “**Renewed Clubhouse Lease Agreements**”) on 1 December 2021 for a term from 1 December 2021 to 30 November 2024, and on 1 December 2024 for a term from 1 December 2024 to 30 November 2027, and Heating Facilities Lease Agreement (the “**Renewed Heating Facilities Lease Agreements**”) on 1 July 2021 for a term from 1 July 2021 to 30 June 2024, and on 1 July 2024 for a term from 1 July 2024 to 30 June 2027, under which Hevol Real Estate leased the clubhouse and the heating facilities to Beijing Hevol Property Services for an annual rent of RMB294,000 and RMB432,000, respectively. The rights and obligations of both parties were similar to that under the operation and management agreements described above.

Report of the Directors

As Hevol Real Estate was an associate of Mr. Liu and a connected person of the Group, the transactions under the Renewed Clubhouse Lease Agreements and Renewed Heating Facilities Lease Agreements constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the nature of the underlying transactions under the Renewed Clubhouse Lease Agreements and Renewed Heating Facilities Lease Agreements are similar and the contracting parties are the same, the Directors considered it appropriate to aggregate the amounts under these agreements when calculating the maximum annual rent payable under such agreements. The Directors estimated that the maximum aggregated annual fee payable by the Group under the Renewed Clubhouse Lease Agreements and Renewed Heating Facilities Lease Agreements for each of the three years ended 31 December 2024, and each of the three years ended 31 December 2027 would not exceed RMB726,000. In arriving at the above aggregated annual cap, the Directors have considered (i) the fair rent letters issued by an independent valuer in relation to the clubhouse and the heating facilities, respectively, and (ii) the terms and conditions of such agreements and the historical transaction amounts in prior years.

As each of the applicable percentage ratios under the Listing Rules in respect of the aggregated annual cap in relation to the Renewed Clubhouse Lease Agreements and Renewed Heating Facilities Lease Agreements was less than 5% and the total consideration was less than HK\$3,000,000, the transactions under such agreements were exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Continuing Connected Transactions Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from Independent Shareholders' Approval Requirement

The 2025-2027 Services Framework Agreement

The Group entered into certain preliminary property management service agreements with subsidiaries of Hevol Real Estate Group for properties developed by them. Pursuant to such agreements, the Group provided property management services, mainly including (i) security services, (ii) repair and maintenance services, and (iii) cleaning and garden landscape maintenance services (the "**Hevol Property Management Services**"). The Group also provided certain value-added services to non-property owners to Hevol Real Estate Group, mainly including sales assistance services such as display unit management services, market planning services and visitor reception services (the "**Hevol Developer-related Services**"). In addition, the Group provided ancillary property management services, mainly including (i) consultancy and planning services, (ii) preliminary stage property management start-up services; (iii) property management services of properties held by Hevol Real Estate Group; (iv) inspection services; (v) repair services; (vi) cleaning services and (vii) formaldehyde removal services (the "**Ancillary Property Management Services**").

On 27 June 2019, the Group entered into a master services agreement (the "**Master Services Agreement**") with Hevol Real Estate in relation to the Group's continuing provision of the Hevol Property Management Services and the Hevol Developer-related Services to Hevol Real Estate Group. On 29 April 2020, the Group and Hevol Real Estate entered into the supplemental master services agreement (the "**Supplemental Master Services Agreement**") for a term from 29 April 2020 to 31 December 2021 to revise the Master Services Agreement, pursuant to which the Group agreed to provide the Ancillary Property Management Services to Hevol Real Estate Group in addition to the Hevol Property Management Services and the Hevol Developer-related Services. Relevant subsidiaries of both parties would enter into separate service agreements which would set out the specific terms and conditions according to the principles provided in the Master Services Agreement.

Following the expiry of the Supplemental Master Services Agreement on 31 December 2021, the Group expected that it would continue to enter into transactions of a similar nature to the Master Services Agreement and the Supplemental Master Services Agreement.

Report of the Directors

On 31 December 2021, the Group entered into a New Master Services Agreement (the “**New Master Services Agreement**”) with Hevol Real Estate in relation to the Group’s continuing provision of the Hevol Property Management Services, the Hevol Developer-related Services and the Ancillary Property Management Services for the period from the date immediately after the fulfillment of all conditions set out in the New Master Services Agreement, including the approval by the independent shareholders of the Company, to 31 December 2024. The relevant subsidiaries of both parties would enter into separate service agreements which would set out the specific terms and conditions according to the principles provided in the New Master Services Agreement. On 9 March 2022, an extraordinary general meeting was convened by the Company for the consideration and the approval of, among other things, the New Master Services Agreement, the proposed annual caps and the transactions contemplated thereunder (the “**Resolutions**”) and the Resolutions were duly passed as ordinary resolutions by the independent shareholders of the Company.

Following the expiry of the New Master Services Agreement on 31 December 2024, the Group expected that it would continue to enter into transactions of a similar nature to the New Master Services Agreement after its expiry.

On 31 December 2024, the Group entered into a 2025–2027 Services Framework Agreement (the “**2025–2027 Services Framework Agreement**”) with Hevol Real Estate in relation to the Group’s continuing provision of the Hevol Property Management Services, the Hevol Developer-related Services and the Ancillary Property Management Services for the period of three years from the date immediately after the fulfillment of all conditions set out in the 2025–2027 Services Framework Agreement. The relevant subsidiaries of both parties would enter into separate service agreements which would set out the specific terms and conditions according to the principles provided in the 2025–2027 Services Framework Agreement.

The Directors estimated that the maximum annual fees payable by the Hevol Real Estate Group in relation to the Hevol Property Management Services to be provided by the Group under the 2025–2027 Services Framework Agreement for the three years ending 31 December 2027 would not exceed RMB20.6 million, RMB20.4 million and RMB19.0 million, respectively; the maximum annual fee in relation to the Hevol Developer-related Services for the same three years would not exceed RMB5.4 million, RMB6.3 million and RMB5.9 million, respectively; and the maximum annual fee in relation to the Ancillary Property Management Services for the same three years would not exceed RMB8.6 million, RMB7.2 million and RMB6.6 million, respectively.

In arriving at the above proposed annual caps, the Directors had estimated with reference to (i) the basis of pricing policy for Hevol Property Management Service, the Hevol Developer-related Services and the Ancillary Property Management Services in each cities, (ii) the respective historical transaction amount in relation to the New Master Services Agreement for the two years ended 31 December 2022 and 2023 and the nine months ended 30 September 2024, respectively, (iii) the estimated transaction amount revenue to be recognised in relation to the 2025–2027 Services Framework Agreement pursuant to the existing contracts and the expected time and volume of delivery for the existing property management projects, (iv) the estimated size of projects to be managed by the Group according to the updated development plan of property management projects, sales coordination projects and ancillary property management projects provided by Hevol Real Estate for the coming three years period ending 31 December 2027, (v) the local market rates for the provision of similar services in each city are used as the basis of pricing policy and (vi) a reasonable buffer of approximately 15% buffer to cater for unexpected business growth, inflation and currency fluctuations.

Hevol Real Estate is an associate of Mr. Liu and a connected person of the Group. Accordingly, the transactions under the 2025–2027 Services Framework Agreement constitute continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio under the Listing Rules in respect of the annual caps for the transactions contemplated under the 2025–2027 Services Framework Agreement is more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Wansheng Investment Framework Agreement and Huaxin Wansheng Framework Agreement

On 28 May 2021, the Board approved the Wansheng Framework Agreement between Sichuan Wansheng Property Service Co., Ltd.* (四川萬晟物業服務有限公司) ("**Sichuan Wansheng**"), a non-wholly owned subsidiary of the Company, and Sichuan Wansheng Investment Co., Ltd.* (四川萬晟投資有限公司) ("**Wansheng Investment**") with respect to the provision of services by Sichuan Wansheng to Wansheng Investment for a term from 28 May 2021 to 31 December 2023 (the "**Wansheng Investment Framework Agreement**").

Report of the Directors

On 28 May 2021, the Board approved the Huaxin Wansheng Framework Agreement between Sichuan Wansheng and Sichuan Huaxin Wansheng Real Estate Co., Ltd.* (四川華信萬晟房地產有限公司) (“**Huaxin Wansheng**”) with respect to the provision of services by Sichuan Wansheng to Huaxin Wansheng Investment for a term from 28 May 2021 to 31 December 2023 (the “**Huaxin Wansheng Framework Agreement**”). On 16 November 2023, Sichuan Wansheng entered into a supplemental framework agreement with Huaxin Wansheng (the “**Supplemental Huaxin Wansheng Framework Agreement**”) to revise the maximum contractual sum payable by Huaxin Wansheng for the year ending 31 December 2023 pursuant to the Huaxin Wansheng Framework Agreement (the “**Existing Annual Cap**”) to the revised maximum contractual sum payable by Huaxin Wansheng for the year ending 31 December 2023 pursuant to the Supplemental Huaxin Wansheng Framework Agreement (the “**Revised Annual Cap**”) as it was expected that the full-year transaction amount under the Huaxin Wansheng Framework Agreement for the year ending 31 December 2023 would likely exceed the Existing Annual Cap. Save for the revision of the Existing Annual Cap to the Revised Annual Cap, all other terms of the Huaxin Wansheng Framework Agreement remained unchanged.

On 16 November 2023, Sichuan Wansheng (for itself and on behalf of its subsidiaries) entered into a framework agreement with Wansheng Investment (for itself and on behalf of its subsidiaries) (the “**2024 Wansheng Investment Framework Agreement**”) and a framework agreement with Huaxin Wansheng (for itself and on behalf of its subsidiaries) (the “**2024 Huaxin Wansheng Framework Agreement**”) for a term of three years, commencing from 1 January 2024 and ending on 31 December 2026 to renew the Wansheng Investment Framework Agreement and the Huaxin Wansheng Framework Agreement and the relevant annual caps thereunder.

Pursuant to the 2024 Wansheng Investment Framework Agreement and the 2024 Huaxin Wansheng Framework Agreement, Sichuan Wansheng and its subsidiaries (the “**Sichuan Wansheng Group**”) agreed to provide to Wansheng Investment and its subsidiaries (the “**Wansheng Investment Group**”) and Huaxin Wansheng and its subsidiaries (the “**Huaxin Wansheng Group**”) (i) preliminary property management services, (ii) sales facilitation services, (iii) early planning and consultancy services, (iv) property management office set-up services and (v) inspection services. Sichuan Wansheng, Wansheng Investment and Huaxin Wansheng shall enter into separate written agreements which will set out the detailed terms for the relevant transactions contemplated under their respective service framework agreements as and when necessary.

The Directors estimated that the maximum annual fees payable by the Wansheng Investment Group in relation to services to be provided by Sichuan Wansheng Group under the 2024 Wansheng Investment Framework Agreement for the three years ending 31 December 2026 will not exceed RMB7.4 million, RMB5.3 million and RMB4.2 million, respectively, and the maximum annual fees payable by Huaxin Wansheng Group in relation to services to be provided by Sichuan Wansheng Group under the 2024 Huaxin Wansheng Framework Agreement for the three years ending 31 December 2026 will not exceed RMB23.2 million, RMB13.0 million and RMB4.6 million, respectively.

The proposed annual caps under the 2024 Huaxin Wansheng Framework Agreement and the 2024 Wansheng Investment Framework Agreement were estimated by the Directors with reference to: (i) the respective historical transaction amounts for the transactions under the Wansheng Investment Framework Agreement and the Huaxin Wansheng Framework Agreement for the two years ended 31 December 2021 and 2022 and the six months ended 30 June 2023; (ii) the number, nature, category and location of the properties; (iii) the estimated gross floor area of the properties; (iv) the estimated number of parking spaces; (v) the rates generally offered by Sichuan Wansheng Group to independent third parties in respect of comparable services; (vi) the anticipated staff costs of Sichuan Wansheng Group; and (vii) a reasonable buffer to cater for any unexpected property management services.

As Sichuan Wansheng was owned as to 60% by the Group and 40% by Mr. Deng Lihua (“**Mr. Deng**”), Mr. Deng was a connected person of the Group. Wansheng Investment was owned by Mr. Deng as to 36.55% and Huaxin Wansheng Investment was owned by Mr. Deng as to 90%. Accordingly, the transactions under the 2024 Huaxin Wansheng Framework Agreement and the 2024 Wansheng Investment Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable ratios under the Listing Rules in respect of the annual caps in relation to the 2024 Wansheng Investment Framework Agreement and the 2024 Huaxin Wansheng Framework Agreement were expected to be more than 0.1% but less than 5% for the Group, the transactions thereunder constituted/will constitute continuing connected transactions of the Company which were/will be subject to the reporting, annual review and announcement but exempted from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Further details of the 2024 Wansheng Investment Framework Agreement and 2024 Huaxin Wansheng Framework Agreement are set out in the announcement of the Company dated 16 November 2023.

Report of the Directors

The Company adjusts the scope and amount of continuing connected transactions and the annual caps exempted from disclosure (where necessary) in accordance with its internal control procedures. During the year ended 31 December 2025, the Company has followed the pricing policies and guidelines for each of the continuing connected transactions disclosed in this annual report when determining the price and terms of such transactions conducted. The Directors are of the view that the Company's internal control procedures are adequate and effective to ensure that transactions are so conducted.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors of the Company have reviewed the continuing connected transactions carried out during the year and confirm the transactions thereunder had been entered into:

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

The Company's auditor was engaged 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 Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Directors confirm that the auditor has issued his letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules:

- (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 agreements governing such transactions.
- (iii) with respect to the aggregate amount of each 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.

RELATED PARTY TRANSACTIONS

Details of the material related party transactions of the Group for the year ended 31 December 2025 are set out in note 29 to the consolidated financial statements in this annual report.

Certain material related party transactions, as disclosed in note 29 to the consolidated financial statements in this annual report, also constituted connected transactions or continuing connected transactions of the Company but these transactions are fully exempt from the requirements under Chapter 14A of the Listing Rules pursuant to rules 14A.76 and 14A.95 of the Listing Rules, except those which are disclosed in the section headed "Connected Transactions".

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

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

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing Shares, or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the year or subsisted at the end of the year.

EMOLUMENT POLICY

The remuneration policy (which includes the payment of the emoluments to the employees) of the employees of the Group is set up by the Remuneration Committee on the basis of the employees' performance, qualifications and experiences. Details of the remuneration of the Directors are set out in note 11 to the consolidated financial statements in this annual report, having regard to the Company's operating results, individual performance of the Directors and senior management and comparable market statistics.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPLIANCE WITH LAWS AND REGULATIONS

As a property service provider in China, the Group is required to comply with various national and local laws and regulations, especially those concerning environmental protection, including laws and regulations of air pollution, sound pollution, waste and sewage. During the year ended 31 December 2025, the Group's business had complied with the relevant laws and regulations in all material respects and there were no material violations or contraventions of any laws or regulations applicable to the Group which may have a material adverse impact on the Group's business or financial position as a whole. Further, any changes in applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. Details of our compliance with relevant laws and regulations are set out in the Environmental, Social and Governance Report of the Company.

KEY RELATIONSHIPS WITH THE GROUP'S STAKEHOLDERS

Workplace Quality

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 on-the-job training and development opportunities to enhance its employees' career progression. Through different trainings, staff's professional knowledge in corporate operations, occupational and management skills is enhanced. The Group also organised staff-friendly activities for employees, such as annual dinner, to promote staff relationship.

The Group provides a safe, effective and congenial working environment. Adequate arrangements, trainings and guidelines are implemented to ensure the working environment is healthy and safe. The Group provided health and safety communications for employees to present the relevant information and raise awareness of occupational health and safety issues. The Group values the health and well-being of its staff. In order to provide employees with health coverage, its employees are entitled to medical insurance benefits.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended 31 December 2025.

SIGNIFICANT INVESTMENTS HELD

Saved as disclosed in this annual report, as at 31 December 2025, the Group did not hold any significant investment.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group plans to expand the breadth and contents of the Group's service offerings and property portfolio by mergers and acquisition by acquiring a majority shareholding of property management companies. During the year, the Group has completed several material equity acquisitions (details are set out in note 28 to the consolidated financial statements in this annual report). These acquisitions will enable the Group to further expand the scale and the scope of its business, deepen the synergy with the existing projects and achieve the complementary effect among regions and industries.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, saved as disclosed in this annual report, the Group did not have any other immediate plans for material investments and capital assets.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

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

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the Code Provisions set out in the CG Code as its own code to govern its corporate governance practices. In the opinion of the Directors, the Company has complied with the relevant Code Provisions contained in the CG Code during the reporting period.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 34 to 54 of this annual report.

ENVIRONMENTAL AND SOCIAL MATTERS

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. The Company's compliance with the relevant provisions set out in the Environmental, Social and Governance Reporting Guide in Appendix C2 of the Listing Rules for the year ended 31 December 2025 are set out in the Environmental, Social and Governance Report in this annual report.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There are no material events subsequent to 31 December 2025 which could have a material impact on our operating and financial performance as of the date of this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 were audited by BDO Limited. A resolution to re-appoint BDO Limited as auditor of the Company will be proposed at the forthcoming AGM.

Save as otherwise stated, all references above to other sections, reports or notes in this annual report form part of this directors' report.

On behalf of the Board

WANG WENHAO

Chief Executive Officer and Executive Director

Hong Kong, 27 March 2026

Independent Auditor's Report



To the shareholders of Hevol Services Group Co. Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Hevol Services Group Co. Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 169 to 273, 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 (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”), as applicable to audits of financial statements of public 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 judgment, 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.

Expected credit loss ("ECL") allowance on trade and other receivables

Refer to accounting policies in note 2.9, critical accounting estimates and judgments in note 3, the disclosures of trade and other receivables in note 18 and credit risk policy in note 34.2 to the consolidated financial statements.

As at 31 December 2025, the Group had gross balance of trade and other receivables amounting to RMB869,871,000 fall within the scope of ECL model. The Group determines the ECL allowance on trade and other receivables based on the debtors' past repayment history, existing market conditions and forward-looking information.

We identified the ECL allowance of trade and other receivables as a key audit matter given the significant management judgements and estimates involved in assessing the credit risk and determining the amount of allowances under the ECL model. These judgments and assumptions including but not limited to the debtors' repayment history and creditworthiness, historical default rates, and forward-looking macroeconomic factors.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

How the matter was addressed in our audit

Our procedures in relation to the ECL allowance on trade and other receivables included:

- evaluating the competency, capability and objectivity of the independent professional valuer engaged by management for the Group's measurement of ECL allowance on trade and other receivables;
- testing the ageing analysis of trade and other receivables prepared by management and reviewing the repayment history of the debtors on a sample basis;
- assessing the management's judgement on significant increase in credit risk for other receivables measured at amortised cost; and
- engaging our valuation expert to assist us in evaluating the appropriateness of management's credit loss provisioning methodology and key parameters used in estimating the ECL allowance.

Impairment of goodwill

Refer to accounting policies in notes 2.7 and 2.13, critical accounting estimates and judgments in note 3 and the disclosures of goodwill in note 15 to the consolidated financial statements.

As at 31 December 2025, the Group had net carrying amount of goodwill arising from business combinations amounting to RMB415,605,000 (net of accumulated impairment of RMB5,593,000).

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that it is impaired. Management has tested such goodwill for impairment as at 31 December 2025 with reference to the valuations performed by the independent professional valuer, and recognised an additional impairment loss on goodwill of RMB4,816,000 for the year ended 31 December 2025. The impairment assessment of goodwill is based on value in use calculations based on five-year financial budgets approved by management with key assumptions of revenue growth rates, terminal growth rates, discount rates and gross profit margins that required significant management judgment and estimation.

We identified this area as a key audit matter due to the significance of the carrying amount of goodwill and the significant judgments and estimates involved in the goodwill impairment assessment.

KEY AUDIT MATTERS (Continued)

How the matter was addressed in our audit

Our audit team included a valuation expert. Our procedures in relation to management's impairment assessment of goodwill included:

- evaluating the competency, capability and objectivity of the independent professional valuer engaged by management;
- reconciling input data used in the Group's future cash flow projection of each cash generating unit to supporting evidence, such as service contracts and approved budgets and considering the reasonableness of these budgets;
- engaging our valuation expert to assist us in assessing the appropriateness of valuation methodology adopted and key assumptions used to estimate the value in use calculations prepared by the independent professional valuer engaged by management; and
- challenging the reasonableness of key assumptions based on our knowledge of the Group's business and industry.

OTHER INFORMATION 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.

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

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

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

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

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

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

Fong Wai Yee Wendy

Practising Certificate No.: P06821

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	4	1,356,714	1,365,068
Cost of sales		(1,050,457)	(1,015,461)
Gross profit		306,257	349,607
Other income and gains and losses, net	5	(31,243)	11,041
Expected credit losses ("ECL") allowance on trade and other receivables, net		(111,972)	(43,132)
Administrative expenses		(200,270)	(206,082)
Finance costs	6(a)	(5,505)	(3,660)
Share of profit of associates	16	933	101
(Loss)/profit before income tax	6(b)	(41,800)	107,875
Income tax expense	8	(6,874)	(21,252)
(Loss)/profit for the year		(48,674)	86,623
Other comprehensive income for the year, net of nil tax			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
– Exchange differences on translation of the Company's financial statements into its presentation currency		244	(173)
Total comprehensive income for the year		(48,430)	86,450
(Loss)/profit for the year attributable to:			
Equity shareholders of the Company		(64,689)	54,388
Non-controlling interests		16,015	32,235
		(48,674)	86,623
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		(64,445)	54,215
Non-controlling interests		16,015	32,235
		(48,430)	86,450
(Loss)/earnings per share attributable to equity shareholders of the Company (expressed in RMB cents)			
Basic and diluted	10	(11.55)	9.71

The notes on pages 177 to 273 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	12	59,378	23,784
Intangible assets	13	67,731	92,161
Investment properties	14	74,299	78,868
Goodwill	15	415,605	460,519
Investments in associates	16	1,558	1,661
Other deposits	18	528	26,476
Deferred tax assets	23	53,584	36,674
		672,683	720,143
Current assets			
Inventories	17	728	1,245
Trade and other receivables	18	693,155	731,199
Restricted bank deposits		2,309	1,232
Bank balances and cash		239,453	273,705
		935,645	1,007,381
Current liabilities			
Bank borrowings	22	68,589	46,965
Contract liabilities	4(a)	367,422	381,434
Trade and other payables	20	481,181	445,227
Lease liabilities	21	10,099	10,923
Income tax liabilities		8,947	6,375
		936,238	890,924
Net current (liabilities)/assets		(593)	116,457
Total assets less current liabilities		672,090	836,600

Consolidated Statement of Financial Position

As at 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities			
Bank borrowings	22	33,630	35,980
Lease liabilities	21	13,652	6,829
Deferred tax liabilities	23	19,289	24,708
		66,571	67,517
Net assets		605,519	769,083
EQUITY			
Share capital	24	38	38
Reserves	25	575,409	693,047
Equity attributable to equity shareholders of the Company		575,447	693,085
Non-controlling interests		30,072	75,998
Total equity		605,519	769,083

Wang Wenhao
Director

Hu Hongfang
Director

The notes on pages 177 to 273 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to equity shareholders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium*	Capital reserve*	Statutory reserve*	Exchange reserve*	Other reserve*	Retained profits*			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 24)	(note 25(a))	(note 25(c))	(note 25(b))	(note 25(d))	(note 25(e))				
Balance at 1 January 2024	38	319,252	34,226	23,313	19,997	-	300,128	696,954	80,352	777,306
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	54,388	54,388	32,235	86,623
Other comprehensive income for the year										
- Exchange differences on translation of the Company's financial statements into its presentation currency	-	-	-	-	(173)	-	-	(173)	-	(173)
	-	-	-	-	(173)	-	54,388	54,215	32,235	86,450
Acquisition of a subsidiary (note 28)	-	-	-	-	-	-	-	-	1,119	1,119
Acquisition of non-controlling interests (note 31)	-	-	-	-	-	(58,084)	-	(58,084)	(7,316)	(65,400)
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	(30,392)	(30,392)
Appropriation to statutory reserve	-	-	-	4,300	-	-	(4,300)	-	-	-
Balance at 31 December 2024	38	319,252	34,226	27,613	19,824	(58,084)	350,216	693,085	75,998	769,083

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to equity shareholders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium*	Capital reserve*	Statutory reserve*	Exchange reserve*	Other reserve*	Retained profits*			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
	(note 24)	(note 25(a))	(note 25(c))	(note 25(b))	(note 25(d))	(note 25(e))				
Balance at 1 January 2025	38	319,252	34,226	27,613	19,824	(58,084)	350,216	693,085	75,998	769,083
Total comprehensive income for the year										
(Loss)/profit for the year	-	-	-	-	-	-	(64,689)	(64,689)	16,015	(48,674)
Other comprehensive income for the year										
- Exchange differences on translation of the Company's financial statements into its presentation currency	-	-	-	-	244	-	-	244	-	244
	-	-	-	-	244	-	(64,689)	(64,445)	16,015	(48,430)
Capital injection	-	-	-	-	-	-	-	-	1,600	1,600
Disposal of subsidiaries (note 33)	-	-	-	(3,864)	-	-	3,864	-	(18,390)	(18,390)
Acquisition of non-controlling interests (note 31)	-	-	-	-	-	(53,193)	-	(53,193)	(6,997)	(60,190)
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	(38,154)	(38,154)
Appropriation to statutory reserve	-	-	-	1,591	-	-	(1,591)	-	-	-
Balance at 31 December 2025	38	319,252	34,226	25,340	20,068	(111,277)	287,800	575,447	30,072	605,519

* The total of these amounts as at the reporting date represents "Reserves" in the consolidated statement of financial position.

The notes on pages 177 to 273 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
(Loss)/profit before income tax		(41,800)	107,875
Adjustments for:			
Amortisation of intangible assets	6(b)	13,739	15,143
Depreciation of property, plant and equipment	6(b)	13,714	8,094
Depreciation of investment properties	6(b)	12,445	8,559
Finance costs	6(a)	5,505	3,660
Bank interest income	5	(157)	(410)
ECL allowance on trade and other receivables, net	18	111,972	43,132
Recovery of bad debts	5	(1,014)	(7,474)
Fair value gain on financial assets at fair value through profit or loss	5	–	(25)
Gain on disposal of property, plant and equipment	5	(17)	(7)
Loss on disposal of subsidiaries	5	28,871	–
Gain on bargain purchase	5	–	(96)
Impairment loss on goodwill	5	4,816	777
Impairment loss on investment properties	5	3,568	–
Share of profit of associates	16	(933)	(101)
Operating profit before working capital changes		150,709	179,127
Decrease in inventories		158	136
Increase in deposits, trade and other receivables		(144,022)	(221,897)
Increase in contract liabilities		4,236	46,269
Increase in trade and other payables		19,991	15,125
Cash generated from operations		31,072	18,760
Interest received		157	410
Income tax paid		(26,136)	(29,898)
Net cash generated from/(used in) operating activities		5,093	(10,728)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Cash flows from investing activities			
Purchase of property, plant and equipment		(10,769)	(8,593)
Proceeds from disposal of property, plant and equipment		634	303
Payments to acquire financial assets at fair value through profit or loss		–	(7,300)
Proceeds from disposal of financial assets at fair value through profit or loss		–	10,505
Proceeds from disposal of intangible assets			176
Proceeds from disposal of investment properties		694	–
Purchase of intangible assets		–	(334)
Increase in investments in associates		–	(1,148)
Acquisition of subsidiaries, net of cash acquired	<i>28(a)(iv)</i>	–	699
Acquisition of non-controlling interests		(17,561)	(65,400)
Payment of outstanding consideration in respect of acquisitions in previous year		(487)	(5,602)
Cash proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	<i>33</i>	16,547	–
Increase in restricted bank deposits		(1,077)	(1,198)
Net cash used in investing activities		(12,019)	(77,892)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Cash flows from financing activities			
Payment of principal portion of lease liabilities	32	(14,775)	(9,600)
Capital injection from non-controlling interests		1,600	–
Dividend paid to non-controlling interests		(38,154)	(30,392)
Proceeds from bank borrowings	32	74,059	47,445
Repayment of bank borrowings	32	(44,795)	(19,500)
Interest paid on bank borrowings	32	(4,070)	(3,017)
Interest paid on lease liabilities	32	(1,435)	(643)
Net cash used in financing activities		(27,570)	(15,707)
Net decrease in cash and cash equivalents		(34,496)	(104,327)
Cash and cash equivalents* at the beginning of the year		273,705	378,205
Effect of foreign exchange rate changes		244	(173)
Cash and cash equivalents* at the end of the year, represented by bank balances and cash		239,453	273,705

* Cash and cash equivalents include cash at banks and on hand.

The notes on pages 177 to 273 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

Hevol Services Group Co. Limited (the “**Company**”) was incorporated in the Cayman Islands on 28 May 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of property management services and related value-added services in the People’s Republic of China (the “**PRC**”).

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In the opinion of the directors, the immediate and ultimate holding company of the Company is Brilliant Brother Group Limited, a company incorporated in the British Virgin Islands (“**BVI**”). The controlling shareholder of the Company is Mr. Liu Jiang (“**Mr. Liu**” or the “**Controlling Shareholder**”).

The functional currency of the Company is Hong Kong Dollars (“**HK\$**”), while the consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated. The consolidated financial statements are presented in RMB as in the opinion of the directors of the Company, it presents more relevant information to the management who monitors the performance and financial position of the Group based on RMB.

The consolidated financial statements for the year ended 31 December 2025 were approved for issue by the board of directors on 27 March 2026.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, International Accounting Standards and Interpretations (collectively “**IFRS Accounting Standards**”) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared on the historical cost basis.

It should be noted that accounting estimates and assumptions are used in the preparation of these consolidated financial statements. Although these estimates are based on the management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

New and amended IFRS Accounting Standards and changes in accounting policies

The IASB has issued the following amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to IAS 21 – Lack of Exchangeability

The Group has not applied any new or amended IFRS Accounting Standards that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRS Accounting Standards is discussed below:

Lack of Exchangeability, the Effects of Changes in Foreign Exchange Rate (Amendments to IAS 21)

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The adoption of these amendments did not have any impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Issued but not effective IFRS Accounting Standards

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new and amended to IFRS Accounting Standards, which are not yet effective for the year ended 31 December 2025 and which have not been early adopted in these consolidated financial statements. These amendments which are potentially relevant to the Group are as follows:

	Effective for accounting periods beginning on or after
Presentation and Disclosure in Financial Statements (IFRS 18)	1 January 2027
Subsidiaries without Public Accountability: Disclosure (IFRS 19)	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027
Amendments to the Classification and Measurement of financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	<i>Note</i>
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (Annual Improvements to IFRS Accounting Standards – Volume 11)	1 January 2026

Note: No mandatory effective date yet determined but available for adoption

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Issued but not effective IFRS Accounting Standards (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, and are initially measured at their proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. Subsequent to the acquisition, profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.3 Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the 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 that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation 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.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Business combinations (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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.

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net fair value of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

2.4 Property, plant and equipment (other than right-of-use assets as described in note 2.11)

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (note 2.13). The cost comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	5%
Furniture and fixtures and office equipment	20%
Land use rights	2.5%
Motor vehicles	20%-33.3%

The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.5 Investment properties

Investment properties are land and/or buildings which are owned to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

On initial recognition, investment property is measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Subsequent to initial recognition, investment properties measured at cost less accumulated depreciation and accumulated impairment losses (note 2.13), if any. Depreciation is charged so as to write off the cost of investment properties net of expected residual value over the term of right of use of 20–50 years using a straight-line method. The useful life, residual value and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

2.6 Intangible assets

Acquired intangible assets are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Computer software	5 years
Customer relationships	5 to 10 years

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets are tested for impairment as described below in note 2.13.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.7 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is initially measured at cost, being the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2.13).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.8 Financial instruments (Continued)

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers ("IFRS 15"), all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("FVTPL"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets are classified into the following categories:

- amortised cost; or
- FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within "Finance costs" or "Other income", except for expected credit losses ("ECL") of financial assets.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.8 Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

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

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's bank balances and cash, other deposits and trade and other receivables fall into this category of financial assets.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.8 Financial instruments (Continued)

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within "Finance costs" or "Other income" in the consolidated statement of profit or loss and other comprehensive income.

Trade and other payables

These are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Impairment of financial assets

IFRS 9 "Financial Instruments" ("IFRS 9") 's requires an entity to use more forward-looking information to recognise ECL – the "ECL model". The Group's trade and other receivables and bank balances and cash fall within the scope of the ECL model.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets (Continued)

In applying this forward-looking approach, a distinction is made between:

- financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**") and
- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial assets.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the past due status.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets (Continued)

Other financial assets measured at amortised cost

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

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets (Continued)

Other financial assets measured at amortised cost (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at each reporting date. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 34.2.

Credit-impaired financial assets

At each reporting date, the Group assesses on a forward-looking basis whether financial assets carried at amortised cost are 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

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

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

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an assets that was previously written off are recognised in profit or loss of the period in which the reversal occurs.

2.10 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2.8).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.11 Leases

(a) *Definition of a lease and the Group as a lessee*

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the lessee;
- the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the lessee has the right to direct the use of the identified asset throughout the period of use. The Group assess whether the lessee has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, the Group elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.11 Leases (Continued)

(a) Definition of a lease and the Group as a lessee (Continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets over their estimated useful lives on the same basis as owned assets from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.11 Leases (Continued)

(a) *Definition of a lease and the Group as a lessee (Continued)*

Measurement and recognition of leases as a lessee (Continued)

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, the Group presents right-of-use assets that do not meet the definition of investment property as property, plant and equipment, the same line as it presents the underlying assets of the same nature that it owns. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

(b) *The Group as a lessor*

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate leases. The sub-lease is classified as operating lease by reference to the right-of-use asset arising from the head lease.

The Group also earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.12 Revenue recognition

The Group provides property management services, community value-added services and value-added services to non-property owners.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.12 Revenue recognition (Continued)

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers as detailed below:

Property management services

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

For property management services income from properties managed under lump-sum basis, where the Group acts as a principal and is primary responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of services. For property management services income from properties managed under commission basis, the Group recognises the commission, which is calculated by certain percentage of the total property management fee received or receivable from the property units, or total property management cost incurred or accrual by the property units, as its revenue for arranging and monitoring the services as provided by other suppliers to the property owners.

Community value-added services

For community value-added services, revenue is recognised over time when the related community value-added services are rendered. Community value-added services are normally billable immediately upon the services are rendered.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.12 Revenue recognition (Continued)

Value-added services to non-property owners

Value-added services to non-property owners include mainly i) on-site sales assistance services, which primarily included cleaning and security services to property developers, which are billed and settled based on actual level of services provided at pre-determined price and revenue is recognised when such services are provided and ii) property delivery related and other consulting services with property developers which are billed on a monthly basis and revenue is recognised over time when the services are provided.

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

2.13 Impairment of non-financial assets

Property, plant and equipment (including right-of-use assets), intangible assets, investment properties, goodwill arising from acquisition of subsidiaries and investments in subsidiaries in the statement of financial position of the Company are subject to impairment testing. Goodwill are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. 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 assessment of time value of money and the risk specific to the asset.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.13 Impairment of non-financial assets (Continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment losses are charged pro-rata to the other assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed and recognised as income immediately if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.14 Employee benefits

Retirement benefit

Retirement benefits to employees are provided through defined contribution plans.

The group entities established in the PRC make monthly contributions to a state-sponsored defined contribution scheme for the local staff. The contributions are made at a specific percentage on the standard salary pursuant to laws of the PRC and relevant regulation issued by local social security authorities.

Contributions are recognised as an expense in profit or loss as employees rendered services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulative compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Termination benefit

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.15 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimation uncertainties

The Group makes judgement in the process of applying the Group's accounting policies, and also make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of ECL allowance on trade and other receivables

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

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and provision for impairment in the periods in which such estimate has been changed.

As at 31 December 2025, the gross carrying amount of trade and other receivables within the scope of the ECL model amounted to RMB869,871,000 (2024: RMB850,049,000). Details of the ECL allowance on trade and other receivables are set out in note 34.2.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimation uncertainties (Continued)

Goodwill impairment assessment

For the purposes of annual goodwill impairment assessment, management considered each of the acquired property management companies a separate CGU and goodwill has been allocated to each of the acquired property management companies. Management assessed the impairment of goodwill by determining the recoverable amounts of the CGU to which goodwill has been allocated based on value in use calculation. Significant judgements and estimates were involved in the goodwill impairment assessment. These significant judgements and estimates include the adoption of appropriate valuation method and the use of key assumptions in the valuation, which primarily include revenue growth rates, terminal growth rates, gross profit margins and discount rates. These assumptions related to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Further details are set out in note 15.

As at 31 December 2025, the carrying amount of goodwill was RMB415,605,000 (2024: RMB460,519,000). Impairment loss on goodwill of RMB4,816,000 (2024: RMB777,000) was recognised for the year ended 31 December 2025.

Leases – Estimating the incremental borrowing rate

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. 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

For the year ended 31 December 2025

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of property management services and related valued-added services and leasing services in the PRC. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision-maker (the “CODM”), being the executive directors of the Company. The CODM reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive directors of the Company regard that there is only one segment which is used to make strategic decisions.

An analysis of the Group’s revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers and recognised over time		
Property management services	1,091,439	1,077,895
Community value-added services	231,406	241,491
Value-added services to non-property owners	20,355	29,212
	1,343,200	1,348,598
Leasing income (not within the scope of IFRS 15)	13,514	16,470
	1,356,714	1,365,068

Geographical information

The major operating entities of the Group are domiciled in the PRC. As at 31 December 2025 and 2024, substantially all of the non-current assets (other than deferred tax assets) of the Group were located in the PRC.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers

For the year ended 31 December 2025, revenue from companies controlled by the Controlling Shareholder contributed 1.1% (2024: 2.0%) of the Group's revenue. Other than companies controlled by the Controlling Shareholder, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue for the year ended 31 December 2025 and 2024.

(a) Contract liabilities

The Group recognised the following revenue-related contract liabilities as at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract liabilities	367,422	381,434

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Increase in contract liabilities as a result of the growth of the Group's business and therefore more advance payments were made by the property owners.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers (Continued)

(b) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised related to brought-forward contract liabilities.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the year		
Property management services	208,614	209,678
Community value-added services	13,473	13,473
Value-added services to non-property owners	842	642
	222,929	223,793

(c) Unsatisfied performance obligations

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

For community value-added services, they are rendered in short period of time and there is no material unsatisfied performance obligation at the reporting date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. OTHER INCOME AND GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government subsidy income (<i>note</i>)	3,921	2,641
Recovery of bad debts	1,014	7,474
Bank interest income	157	410
Sundry income	903	1,165
Fair value gain on financial assets at FVTPL (<i>note 19</i>)	–	25
Gain on disposal of property, plant and equipment	17	7
Loss on disposal of subsidiaries (<i>note 33</i>)	(28,871)	–
Impairment loss on goodwill (<i>note 15</i>)	(4,816)	(777)
Impairment loss on investment properties (<i>note 14</i>)	(3,568)	–
Gain on bargain purchase (<i>note 28(a)(iv)</i>)	–	96
	(31,243)	11,041

Note:

During the years ended 31 December 2025 and 2024, government subsidy income mainly related to cash subsidies granted by the PRC government in respect of value-added tax relief and in support of the Group's operating activities which are either unconditional or with conditions that having been satisfied.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(a) Finance costs		
Interest expenses on lease liabilities	1,435	643
Interest on bank borrowings	4,070	3,017
	5,505	3,660
(b) Other items		
Auditor's remuneration	2,250	2,250
Amortisation of intangible assets (<i>note 13</i>)	13,739	15,143
Depreciation of property, plant and equipment (<i>note 12</i>)		
– Owned assets	7,623	5,634
– Right-of-use assets	6,091	2,460
Depreciation of investment properties (<i>note 14</i>)		
– Owned properties	2,946	2,562
– Sub-leased properties	9,499	5,997
Legal and professional fees	16,754	16,136
Short-term leases	2,253	1,628

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 RMB'000	2024 RMB'000
Salaries, bonus and allowances	348,951	362,277
Retirement benefit scheme contributions (<i>note</i>)	64,380	66,920
Severance payments	4,264	4,241
Other employee benefits	2,341	1,792
	419,936	435,230

Note:

For the years ended 31 December 2025 and 2024, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2025 and 2024, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the defined contribution retirement benefit scheme.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax – PRC enterprise income tax		
Current year	28,971	27,988
Under/(over) provision in prior years	1,796	(808)
	30,767	27,180
Deferred tax		
Credited to profit or loss for the year (<i>note 23</i>)	(23,893)	(5,928)
Total income tax expense	6,874	21,252

The difference between the actual income tax expense in the consolidated statement of profit or loss and comprehensive income and the amount which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

	2025 RMB'000	2024 RMB'000
(Loss)/profit before income tax	(41,800)	107,875
Tax on profit before income tax, calculated at the statutory rates applicable to the tax jurisdiction concerned	255	22,860
Tax effect of non-deductible expenses	1,588	255
Tax effect of unused tax losses not recognised	3,409	5,184
Utilisation of tax losses previously not recognised	(174)	(6,239)
Under/(over) provision in prior years	1,796	(808)
Income tax expense	6,874	21,252

8. INCOME TAX EXPENSE (Continued)

Notes:

(a) **Cayman Islands income tax**

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

(b) **BVI income tax**

Pursuant to the relevant rules and regulations of BVI, the Group is not subject to any income tax in BVI for the years ended 31 December 2025 and 2024.

(c) **Hong Kong profits tax**

No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong in the current and prior years.

(d) **PRC enterprise income tax**

The income tax provision of certain PRC entities of the Group has been calculated at the statutory tax rate of 25% on the estimated assessable profits for the years ended 31 December 2025 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

The preferential income tax rate applicable to certain of the Group's PRC entities within the scope of the China's Western Development Program and Hainan Free Trade Port Program was 15% for the years ended 31 December 2025 and 2024.

Pursuant to the relevant laws and regulation in the PRC, certain of the Group's PRC entities which are qualified as small low-profit enterprises enjoyed a preferential tax rate of 20% for the years ended 31 December 2025 and 2024. In addition, in accordance with the "Notice on Preferential Income Tax Policies Applicable to Small Low-profit Enterprises", the small and low-profit enterprises are entitled to a tax concession for 75% and 50% of its taxable income for the annual taxable income of less than RMB1,000,000 and the portion that exceeds RMB1,000,000 but does not exceed RMB3,000,000 (inclusive) for the years ended 31 December 2025 and 2024, respectively.

(e) **PRC withholding income tax**

According to the relevant laws and regulations in the PRC, the Group is also liable to a 10% withholding tax on dividends to be distributed from the Group's foreign-invested enterprises in the PRC in respect of its profits generated from 1 January 2008. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
(Loss)/profit attributable to equity shareholders of the Company (<i>RMB'000</i>)	(64,689)	54,388
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share (<i>thousands</i>)	560,000	560,000
Basic (loss)/earnings per share (expressed in RMB cents)	(11.55)	9.71

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the years ended 31 December 2025 and 2024 equals the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence during the years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND EMPLOYEES' EMOLUMENTS

(a) Directors' remuneration

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

Name of director	Fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
2025					
Executive directors:					
Mr. Wang Wenhao (Chief Executive Officer)	-	1,081	-	165	1,246
Ms. Hu Hongfang	-	1,064	-	-	1,064
Non-executive directors:					
Mr. Liu Jiang (Chairman)	-	289	-	3	292
Mr. Zhou Wei	-	945	-	165	1,110
Independent non-executive directors:					
Mr. Qian Hongji	162	-	-	-	162
Dr. Li Yongrui	122	-	-	-	122
Mr. Fan Chi Chiu	163	-	-	-	163
Dr. Chen Lei	162	-	-	-	162
	609	3,379	-	333	4,321

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' remuneration (Continued)

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows: (Continued)

Name of director	Fees <i>RMB'000</i>	Basic salaries and allowances <i>RMB'000</i>	Discretionary bonus <i>RMB'000</i>	Retirement benefit scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
2024					
Executive directors:					
Mr. Wang Wenhao <i>(Chief Executive Officer)</i>	-	848	-	161	1,009
Ms. Hu Hongfang	-	569	-	-	569
Non-executive directors:					
Mr. Liu Jiang <i>(Chairman)</i>	-	-	-	-	-
Mr. Zhou Wei	-	656	-	161	817
Independent non-executive directors:					
Mr. Qian Hongji	165	-	-	-	165
Dr. Li Yongrui	165	-	-	-	165
Mr. Fan Chi Chiu	165	-	-	-	165
Dr. Chen Lei	165	-	-	-	165
	660	2,073	-	322	3,055

Note:

Mr. Wang Wenhao is also the chief executive officer of the Group.

The emoluments shown above represent emoluments received by these directors in the capacity as directors/employees of the companies comprising the Group for the years ended 31 December 2025 and 2024.

There were no arrangements under which a director of the Company waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included 2 (2024: 3) directors whose emoluments are reflected in the analysis presented in note 11(a). The emoluments paid to the remaining 3 (2024: 2) individuals during the year are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Basic salaries and allowances	3,240	1,235
Retirement benefit scheme contributions	320	177
Discretionary bonus	–	–
	3,560	1,412

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands		
RMB Nil – RMB1,000,000	–	1
RMB1,000,000 – RMB1,500,000	3	1

No emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Land use rights <i>RMB'000</i>	Furniture and fixtures and office equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Office premises <i>RMB'000</i>	Heating facility <i>RMB'000</i>	Staff quarters <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	7,472	–	10,096	2,951	2,299	377	386	23,581
Year ended								
31 December 2024								
Opening net carrying amount	7,472	–	10,096	2,951	2,299	377	386	23,581
Additions	–	–	6,356	1,773	464	–	–	8,593
Disposals	–	–	(286)	(10)	–	–	–	(296)
Depreciation	(568)	–	(4,122)	(944)	(1,729)	(377)	(354)	(8,094)
Closing net carrying amount	6,904	–	12,044	3,770	1,034	–	32	23,784
At 31 December 2024								
Cost	9,615	–	29,933	11,046	11,830	2,344	1,307	66,075
Accumulated depreciation	(2,711)	–	(17,889)	(7,276)	(10,796)	(2,344)	(1,275)	(42,291)
Net carrying amount	6,904	–	12,044	3,770	1,034	–	32	23,784

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings <i>RMB'000</i>	Land use rights <i>RMB'000</i>	Furniture and fixtures and office equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Office premises <i>RMB'000</i>	Heating facility <i>RMB'000</i>	Staff quarters <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended								
31 December 2025								
Opening net carrying amount	6,904	-	12,044	3,770	1,034	-	32	23,784
Transfer from investment properties (<i>note 14</i>)	4,980	3,332	-	-	-	-	-	8,312
Additions	7,130	3,928	10,239	530	19,813	1,240	844	43,724
Disposals	-	-	(61)	(556)	-	-	-	(617)
Disposal of subsidiaries (<i>note 33</i>)	-	-	(1,949)	(162)	-	-	-	(2,111)
Depreciation	(1,176)	(239)	(5,505)	(942)	(4,927)	(620)	(305)	(13,714)
Closing net carrying amount	17,838	7,021	14,768	2,640	15,920	620	571	59,378
At 31 December 2025								
Cost	21,725	7,260	36,698	10,852	31,643	3,584	2,151	113,913
Accumulated depreciation	(3,887)	(239)	(21,930)	(8,212)	(15,723)	(2,964)	(1,580)	(54,535)
Net carrying amount	17,838	7,021	14,768	2,640	15,920	620	571	59,378

During the year ended 31 December 2025, the Group's additions to property, plant and equipment with fair value of RMB11,058,000 transferred by certain trade debtors to the Group in settlement of their outstanding trade receivables owed to the Group. The fair value of these property, plant and equipment at the dates of transfer approximates the carrying value of these trade receivables (note 18(a)).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation charges recognised is analysed as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of sales	6,991	1,565
Administrative expenses	6,723	6,529
	13,714	8,094

As at 31 December 2025, included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Carrying amount		Depreciation	
	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	For the year ended 31 December 2025 <i>RMB'000</i>	For the year ended 31 December 2024 <i>RMB'000</i>
Land use rights	7,021	–	239	–
Office premises	15,920	1,034	4,927	1,729
Heating facility	620	–	620	377
Staff quarters	571	32	305	354
	24,132	1,066	6,091	2,460

During the year ended 31 December 2025, the total additions to right-of-use assets included in property, plant and equipment amounting to RMB21,897,000 (2024: RMB464,000) (note 32(a)). Details of these lease arrangements and related lease liabilities are set out in note 21.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. INTANGIBLE ASSETS

	Customer relationships <i>RMB'000</i>	Computer software <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024			
Opening net carrying amount	103,388	3,758	107,146
Additions	–	334	334
Disposals	–	(176)	(176)
Amortisation	(13,951)	(1,192)	(15,143)
Closing net carrying amount	89,437	2,724	92,161
At 31 December 2024			
Cost	137,986	10,616	148,602
Accumulated amortisation	(48,549)	(7,892)	(56,441)
Net carrying amount	89,437	2,724	92,161
	Customer relationships <i>RMB'000</i>	Computer software <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2025			
Opening net carrying amount	89,437	2,724	92,161
Disposal of subsidiaries (<i>note 33</i>)	(10,680)	(11)	(10,691)
Amortisation	(13,105)	(634)	(13,739)
Closing net carrying amount	65,652	2,079	67,731
At 31 December 2025			
Cost	127,306	10,605	137,911
Accumulated amortisation	(61,654)	(8,526)	(70,180)
Net carrying amount	65,652	2,079	67,731

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. INTANGIBLE ASSETS (Continued)

Amortisation charges recognised is analysed as follows:

	2025 RMB'000	2024 RMB'000
Administrative expenses	13,739	15,143

14. INVESTMENT PROPERTIES

	Sub-leased properties RMB'000	Owned properties RMB'000	Total RMB'000
Net carrying amount at 1 January 2024	11,135	43,870	55,005
Additions	13,145	20,080	33,225
Disposals	(803)	–	(803)
Depreciation	(5,997)	(2,562)	(8,559)
Net carrying amount at 31 December 2024 and 1 January 2025	17,480	61,388	78,868
Additions	1,852	21,573	23,425
Disposals	(2,975)	(694)	(3,669)
Transfer to property, plant and equipment for own used (note 12)	–	(8,312)	(8,312)
Impairment (note 5)	–	(3,568)	(3,568)
Depreciation	(9,499)	(2,946)	(12,445)
Net carrying amount at 31 December 2025	6,858	67,441	74,299

The Group's investment properties are residential properties, commercial properties and car parks situated in the PRC. These properties are held by the Group to earn rentals or for capital appreciation.

14. INVESTMENT PROPERTIES (Continued)

Sub-leased properties are those residential properties leased by the Group for sub-leasing under operating leases for the year ended 31 December 2025. Details of the leasing arrangements are set out in note 21.

During the year ended 31 December 2025, the Group's additions to owned properties included properties with fair value of RMB21,573,000 (2024: RMB20,080,000) transferred by certain trade debtors to the Group in settlement of their outstanding trade receivables owed to the Group. The fair value of these properties at the dates of transfer approximates the carrying value of these trade receivables (note 18(a)).

As at 31 December 2025, certain of the Group's investment properties of approximately RMB37,166,000 (2024: RMB36,499,000) were pledged to secure certain bank borrowings granted to the Group (note 22).

As at 31 December 2025, the carrying amount of the Group's owned properties attributable to the properties without the relevant title certificates was approximately RMB23,898,000 (2024: RMB24,888,000). The Group has obtained effective control to these investment properties through contractual arrangements with the sellers of the investment properties who hold the title certificates (the "**Contractual Arrangement**"). Pursuant to the Contractual Arrangement, the Group was entitled to occupy, use, dispose and lease these properties notwithstanding the absence of title certificates. As advised by the Company's PRC legal advisor, the Group had significant risks and rewards of these properties under the Contractual Arrangement. As such, the control, significant risks and rewards of these properties were vested with the Group and the Group had recognised these properties as investment properties.

The Group's investment properties are depreciated on a straight-line basis over the term of right of use.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. INVESTMENT PROPERTIES (Continued)

As at 31 December 2025, the fair value of the Group's owned properties, situated in the PRC under medium term leases, was approximately RMB150,213,000 (2024: RMB148,580,000). In respect of one owned property, an impairment loss of RMB3,568,000 (2024: RMB Nil) was recognised in profit or loss for the year ended 31 December 2025 with reference to its fair market value. Valuations of these properties as at 31 December 2025 and 2024 were carried out by an independent professional qualified valuer, Savills Valuation and Professional Services (China) Limited, who holds a recognised relevant professional qualification and has recent experience in the locations and nature of the investment properties being valued. The fair value of these properties is a level 3 recurring fair value measurement and is determined using a combination of income approach, residual method and market comparison approach, by reference to recent market prices of comparable properties applied under market comparison approach and market-based assumptions applied under other valuation approaches, where applicable. The fair value of these properties without relevant title certificates were estimated as if the Group had valid title certificates. There were no changes to the valuation methodologies applied during the years ended 31 December 2025 and 2024. Increase/(decrease) in market unit rate would result in an increase/(decrease) in the fair value of these properties.

As at 31 December 2025, the fair value of the Group's sub-leased properties under operating lease was approximately RMB7,090,000 (2024: RMB17,800,000). Valuations of these properties as at 31 December 2025 and 2024 were carried out by an independent professional qualified valuer, Savills Valuation and Professional Services (China) Limited, who holds a recognised relevant professional qualification and has recent experience in the locations and nature of the investment properties being valued. The fair value of these properties is a level 3 recurring fair value measurement and is determined using income capitalisation approach on the basis of capitalisation of sub-letting rental incomes receivable until the expiry of the tenancy agreement which takes into account market monthly unit rental and capitalisation rates of these properties. The fair value measurement of these properties is positively correlated to the market monthly unit rental and negatively correlated to capitalisation rate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. INVESTMENT PROPERTIES (Continued)

The following amounts have been recognised in the consolidated statement of profit or loss and other comprehensive income for investment properties:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Leasing income from third parties under operating leases <i>(notes 4 & 27(a))</i>	13,514	16,470
Depreciation	12,445	8,559

The Group has no material direct operating expenses arising from investment properties that generate leasing and sub-leased income.

15. GOODWILL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net carrying amount as at 1 January	460,519	461,296
Disposal of subsidiaries <i>(note 33)</i>	(40,098)	–
Provision for impairment for the year <i>(note 5)</i>	(4,816)	(777)
Net carrying amount as at 31 December	415,605	460,519

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost	421,198	461,296
Accumulated impairment	(5,593)	(777)
Net carrying amount	415,605	460,519

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. GOODWILL (Continued)

For the purpose of impairment testing, the carrying amount of goodwill was allocated to the respective cash generating units (“CGUs”) identified as follows:

CGUs identified	Principal activities	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Shanghai Tongjin Property Management Services Co. Ltd. (上海同進物業服務有限公司) (“ Shanghai Tongjin ”)	Provision of property management services and related value-added services	20,615	20,615
Shanghai Tongjia Property Management Services Co. Ltd (上海同嘉物業服務有限公司) (“ Shanghai Tongjia ”)	Provision of property management services and related value-added services	112	112
Dongguan Baoying Property Management Company Limited (東莞市寶盈物業管理有限公司) (“ Dongguan Baoying ”)	Provision of property management services and related value-added services	10,389	10,389
Hohhot Huigu Property Services Company Limited (呼和浩特市慧谷物業服務有限公司) (“ Hohhot Huigu ”)	Provision of property management services and related value-added services	8,273	8,273
Sichuan Wansheng Property Service Co., Ltd. (四川萬晟物業服務有限公司) (“ Sichuan Wansheng ”)	Provision of property management services and related value-added services	34,073	34,073

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. GOODWILL (Continued)

For the purpose of impairment testing, the carrying amount of goodwill was allocated to the respective cash generating units (“CGUs”) identified as follows: (Continued)

CGUs identified	Principal activities	2025 RMB'000	2024 RMB'000
Panjin Four Seasons City Property Management Co., Ltd. (盤錦四季城物業服務有限公司) (“Panjin Four Seasons City”)	Provision of property management services and related value-added services	16,184	16,184
Beijing He Zhong Zhidi Property Agency Co., Ltd. (北京和眾置地房地產經紀有限公司) (“Beijing He Zhong”)	Provision of property agency services	777	777
Guiyang Xinglong Property Management Co., Ltd (貴陽興隆物業管理有限公司) (“Guiyang Xinglong”)	Provision of property management services and related value-added services	141,904	141,904
Zunyi Jinning Property Management Co., Ltd. (遵義市金寧物業管理有限公司) (“Zunyi Jinning”)	Provision of property management services and related value-added services	54,692	54,692
Chongqing Xinlongxin Property Management Co., Ltd. (重慶新隆信物業管理有限公司) (“Chongqing Xinlongxin”)	Provision of property management services and related value-added services	134,180	134,180
Jiangsu Shenhua Times Property Group Co., Ltd. (江蘇深華時代物業集團有限公司) (“Jiangsu Shenhua”)	Provision of property management services and related value-added services	–*	31,299
Zhongshan Zhongzheng Property Management Co., Ltd. (中山市中正物業管理有限公司) (“Zhongshan Zhongzheng”)	Provision of property management services and related value-added services	–*	8,799
		421,198	461,296
Impairment loss recognised for Chongqing Xinlongxin CGU		(4,816)	–
Beijing He Zhong CGU		(777)	(777)
Net carrying amount		415,605	460,519

* These two subsidiaries were disposed of during the year end 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. GOODWILL (Continued)

The recoverable amounts of these CGUs are determined based on value in use calculations using pre-tax cash flow projections performed by an independent professional valuer, which are based on five-year financial budgets approved by management. The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	2025	2024
Shanghai Tongjin CGU		
Revenue growth rate during the forecast period	2%	7%
Gross profit margin during the forecast period	21% to 22%	23%
Terminal growth rate	2%	2%
Pre-tax discount rate	23.5%	23.8%
Shanghai Tongjia CGU		
Revenue growth rate during the forecast period	-14% to 2%	2% to 8%
Gross profit margin during the forecast period	15% to 16%	21%
Terminal growth rate	2%	2%
Pre-tax discount rate	23.8%	24.6%
Dongguan Baoying CGU		
Revenue growth rate during the forecast period	1% to 2%	4% to 15%
Gross profit margin during the forecast period	21% to 23%	22%
Terminal growth rate	2%	2%
Pre-tax discount rate	23.4%	23.2%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. GOODWILL (Continued)

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill: (Continued)

	2025	2024
Hohhot Huigu CGU		
Revenue growth rate during the forecast period	-3% to 2%	6%
Gross profit margin during the forecast period	29% to 30%	26%
Terminal growth rate	2%	2%
Pre-tax discount rate	24.0%	23.8%
Sichuan Wansheng CGU		
Revenue growth rate during the forecast period	-4% to 2%	6% to 10%
Gross profit margin during the forecast period	24% to 25%	26%
Terminal growth rate	2%	2%
Pre-tax discount rate	22.0%	21.6%
Panjin Four Seasons City CGU		
Revenue growth rate during the forecast period	-1% to 2%	5% to 7%
Gross profit margin during the forecast period	36%	33%
Terminal growth rate	2%	2%
Pre-tax discount rate	23.5%	23.1%
Beijing He Zhong CGU		
Revenue growth rate during the forecast period	N/A	-15% to 2%
Gross profit margin during the forecast period	N/A	13%
Terminal growth rate	N/A	2%
Pre-tax discount rate	N/A	25.7%
Guiyang Xinglong CGU		
Revenue growth rate during the forecast period	-1% to 2%	1% to 3%
Gross profit margin during the forecast period	26%	30% to 31%
Terminal growth rate	2%	2%
Pre-tax discount rate	22.2%	21.6%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. GOODWILL (Continued)

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill: (Continued)

	2025	2024
Zunyi Jinning CGU		
Revenue growth rate during the forecast period	2% to 3%	2% to 12%
Gross profit margin during the forecast period	24%	27%
Terminal growth rate	2%	2%
Pre-tax discount rate	22.7%	20.8%
Chongqing Xinlongxin CGU		
Revenue growth rate during the forecast period	2% to 3%	1% to 5%
Gross profit margin during the forecast period	13%	17%
Terminal growth rate	2%	2%
Pre-tax discount rate	22.3%	21.4%
Zhongshan Zhongzheng CGU		
Revenue growth rate during the forecast period	N/A	2% to 3%
Gross profit margin during the forecast period	N/A	23%
Terminal growth rate	N/A	2%
Pre-tax discount rate	N/A	23.7%
Jiangsu Shenhua CGU		
Revenue growth rate during the forecast period	N/A	8% to 13%
Gross profit margin during the forecast period	N/A	23% to 25%
Terminal growth rate	N/A	2%
Pre-tax discount rate	N/A	23.2%

The key assumptions were determined based on past performance and management's expectation of market development. The discount rates used reflect specific risks relating to the Group's acquired business. Management believes that any reasonably possible change in any of these key assumptions and discount rates used would not cause the aggregate carrying amount of these CGUs to exceed the aggregate recoverable amount.

Based on the impairment testing of goodwill as detailed above, except for Chongqing Xinlongxin CGU as at 31 December 2025 and Beijing He Zhong CGU as at 31 December 2024, the recoverable amount of each of the CGUs exceeded the respective carrying amount of the CGUs and therefore no impairment of goodwill was considered necessary as at 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. GOODWILL (Continued)

Impairment loss recognised

The directors assessed the recoverable amount of Chongqing Xinlongxin as at 31 December 2025 (2024: Beijing He Zhong) based on value-in-use calculations using pre-tax cash flow projections performed by an independent professional valuer, which are based on five-year financial budgets approved by management. As a result of this assessment, an impairment loss of RMB4,816,000 (2024: RMB777,000), which represented the short fall of its value-in-use calculation over its carrying amount, was recognised in "other income and gains and losses, net" in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025. No class of assets other than goodwill was impaired for the years ended 31 December 2025 and 31 December 2024.

The impairment loss on goodwill of Chongqing Xinlongxin CGU for the year ended 31 December 2025 was attributable to rising cost pressures and the overall deterioration in gross profit margin in the PRC for the year.

The impairment loss on goodwill of Beijing He Zhong for the year ended 31 December 2024 was attributable to a decline in projected revenue due to keen competition and overall decline in demand in the property leasing market in the PRC, which adversely affected the estimated future cash flows of the related CGU.

16. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	1,558	1,661

Particulars of the material associates which have commenced operations are as follows:

Name	Particulars of issued shares held	Place of incorporation registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Guizhou Heshun Zhenxuan Agricultural Technology Company Limited ("Heshun Zhenxuan")	Ordinary shares	PRC	40%	Trading of agricultural products
Neijiang Gaotou Wansheng Property Services Company Limited ("Neijiang Gaotou")	Ordinary shares	PRC	47%	Property management services

The Group's shareholdings in the associates all comprise equity shares held by the wholly-owned subsidiary of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the summarised financial information adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	Heshun Zhenxuan 2025 RMB'000	Neijiang Gaotou 2025 RMB'000
Current assets	1,671	6,354
Current liabilities	(558)	(3,986)
Net assets	1,113	2,368
Reconciliation to the Group's interests in associates:		
Proportion of the Group's ownership	40%	47%
The Group's share of net assets of associates	445	1,113
Revenue	–	4,190
Share of profit for the year	–	933

17. INVENTORIES

	2025 RMB'000	2024 RMB'000
Materials to be used in value-added services	394	647
Consumable parts	334	598
	728	1,245

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (“FIFO”) method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Trade receivables	(a)		
– Third parties		457,309	473,795
– Related parties	29(b)	102,887	89,825
		560,196	563,620
Less: ECL allowance on trade receivables		(173,220)	(110,953)
		386,976	452,667
Other receivables	(b)		
Deposits and other receivables		72,433	83,554
Other deposits		202,661	193,159
Consideration receivable		15,500	–
Payment on behalf of property owners		11,739	6,440
Advances to employees		7,342	3,276
		309,675	286,429
Less: ECL allowance of other receivables		(34,076)	(8,549)
		275,599	277,880
Prepayments		31,108	27,128
		306,707	305,008
Less: Other deposits classified as non-current assets (net of ECL allowance of RMB26,914,000 (2024: RMB2,525,000))		(528)	(26,476)
		306,179	278,532
		693,155	731,199

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

Trade receivables mainly arise from the business of property management services and value-added services.

Property management services income are received in accordance with the term of the relevant property service agreements. Service income is due for payment upon rendering of services.

The ageing analysis of trade receivables based on invoice date, net of ECL allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 – 90 days	73,544	83,317
91 – 180 days	47,269	54,883
181 – 365 days	74,097	105,135
1 to 2 years	90,051	109,602
2 to 3 years	57,783	63,931
Over 3 years	44,232	35,799
	386,976	452,667

The movement in the ECL allowance on trade receivables is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance at the beginning of the year	110,953	86,364
Disposal of subsidiaries	(17,760)	–
Bad debts written off	(6,418)	(17,229)
ECL allowance recognised, net	86,445	41,818
Balance at the end of the year	173,220	110,953

18. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

The Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

As at 31 December 2025, certain of the Group's trade receivables amounted to RMB70,000,000 (2024: RMB70,000,000) were pledged as securities of the Group's bank borrowings of RMB29,500,000.

During the year ended 31 December 2025, certain trade debtors agreed to transfer the legal title of their owned properties to the Group in settlement of their outstanding trade receivables with carrying amount of RMB31,731,000 (2024: RMB20,080,000). The fair value of these properties at the dates of transfer approximates the carrying amount of these trade receivables.

(b) Other receivables

Other deposits

Other deposits mainly represent deposits paid to government or property developers at the inception of entering into tenders for property management services contracts.

Consideration receivable

On 9 May 2025, the Group entered into a sale and purchase agreement with a connected person of the Company to dispose of its 51% equity interest in Jiangsu Shenhua Times Property Group Co., Ltd. at a consideration of RMB30,500,000 (the "Disposal"). As at 31 December 2025, the remaining consideration receivable in respect of the Disposal amounted RMB15,500,000. Details of the Disposal are set out in note 33.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES (Continued)

(b) Other receivables (Continued)

Payment on behalf of property owners

The balance mainly represents the payments on behalf of property owners in respect of utilities and maintenance costs of the properties.

Advances to employees

Advances to employees mainly represent advances for various expenses to be incurred in the ordinary course of business.

ECL allowance on other receivables measured at amortised cost

Impairment of other receivables from third parties (excluding prepayments) are assessed collectively and individually and measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. Impairment of amounts due from related parties was limited to 12-month ECL since the related parties have a strong capacity to meet its contractual cash flow in the near term. Details of the credit risk and ECL allowance on other receivables are set out in note 34.2(ii).

The movement in the ECL allowance on other receivables measured at amortised cost is as follows:

	<i>RMB'000</i>
Balance at 1 January 2024	7,235
ECL allowance recognised, net	1,314
Balance at 31 December 2024 and 1 January 2025	8,549
ECL allowance recognised, net	25,527
Balance at 31 December 2025	34,076

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unlisted investments, at fair value		
Balance at 1 January	–	3,180
Additions	–	7,300
Fair value gain (<i>note 5</i>)	–	25
Disposals	–	(10,505)
Balance at 31 December	–	–

Financial assets at fair value through profit or loss mainly represented the Group's investments in various wealth management products issued by banks in the PRC. These products had no fixed term and an expected return rate of 2.23% per annum. All these investments were fully disposed of during the year ended 31 December 2024.

20. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables			
– Third parties	<i>(i)</i>	149,157	137,307
Other payables			
Accrued charges and other payables		136,958	122,567
Consideration payables	<i>(ii)</i>	42,629	487
Renovation deposits collected from property owners		48,851	64,032
Amounts collected on behalf of property owners		32,484	42,293
Other tax liabilities		29,084	30,433
Staff costs and welfare accruals		42,018	48,108
		332,024	307,920
		481,181	445,227

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. TRADE AND OTHER PAYABLES (Continued)

Notes:

(i) **Trade payables**

The Group was granted by its suppliers the credit period ranging from 30 to 90 days. The ageing analysis of trade payables based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 30 days	52,312	57,286
31 to 180 days	52,554	46,745
181 to 365 days	15,038	13,316
Over 1 year	29,253	19,960
	149,157	137,307

(ii) **Consideration payables**

During the year ended 31 December 2025, the Group acquired the remaining 30% equity interest of its subsidiary, Guiyang Xinglong from its non-controlling interests at a cash consideration of RMB60,190,000. As at 31 December 2025, the Group has not yet settled the outstanding consideration of RMB42,629,000.

21. LEASE LIABILITIES

Set out below are the carrying amount of lease liabilities and the movement during the year:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
As at 1 January	17,752	14,987
Interests (<i>note 6(a)</i>)	1,435	643
Lease payments	(16,210)	(10,243)
New leases	23,749	13,145
Effect of lease modification	(2,975)	(780)
As at 31 December	23,751	17,752
Less: Current portion	(10,099)	(10,923)
Non-current portion	13,652	6,829

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. LEASE LIABILITIES (Continued)

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Total lease payments:		
Due within one year	11,018	11,541
Due over one year but less than five years	14,748	7,037
	25,766	18,578
Future finance charges on lease liabilities	(2,015)	(826)
Present value of lease liabilities	23,751	17,752
Present value of the lease payments:		
Due within one year	10,099	10,923
Due over one year but less than five years	13,652	6,829
	23,751	17,752
Less: Portion due within one year included under current liabilities	(10,099)	(10,923)
Portion due after one year included under non-current liabilities	13,652	6,829

As at 31 December 2025, lease liabilities amounting to RMB23,751,000 (2024: RMB17,252,000) carried weighted-average effective interest rate ranging from 3.50% to 4.80% per annum (2024: 3.80% to 7.94% per annum).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. LEASE LIABILITIES (Continued)

Details of the lease activities

As at 31 December 2025 and 2024, the Group has entered into leases for office premises, heating facility, staff quarters and residential properties.

Types of right-of-use assets	Financial statements items of right-of-use assets included in	Number of leases	Range of remaining lease term	Particulars
Office premises	Office premises in "Property, plant and equipment"	10 (2024: 10)	1.1 to 5 years (2024: 0.5 to 2 years)	<ul style="list-style-type: none"> Contains an option to renew the lease after the end of the contract by giving one-month notice to landlord before the end of the contract
Heating facility	Heating facility in "Property, plant and equipment"	1 (2024: 1)	2 years (2024: Nil)	<ul style="list-style-type: none"> Contains an option to renew the lease after the end of the contract by giving three-months notice to lessor before the end of the contract
Staff quarters	Staff quarters in "Property, plant and equipment"	3 (2024: 3)	2 years (2024: 0.7 years)	<ul style="list-style-type: none"> Contains an option to renew the lease after the end of the contract by giving one-month notice to lessor before the end of the contract
Residential properties	Sub-leased properties in "Investment properties"	101 (2024: 134)	1.1 to 3 years (2024: 1.1 to 4 years)	<ul style="list-style-type: none"> Contain an option to renew the lease after the end of the contract by giving one-month notice to lessor before the end of the contract

The Group considered that no extension option or termination option would be exercised at the lease commencement date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. BANK BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank borrowings:		
– Secured	88,219	56,995
– Unsecured	14,000	25,950
	102,219	82,945

The bank borrowings were secured by the following:

- (i) certain investment properties (note 14) as at 31 December 2025 and 2024;
- (ii) certain trade receivables (note 18(a)) as at 31 December 2025 and 2024;
- (iii) corporate guarantee by the Company as at 31 December 2025 and 2024;
- (iv) corporate guarantee by a subsidiary of the Company and a shareholder of a subsidiary as at 31 December 2025 and 2024;
- (v) personal guarantee by a major shareholder and director of the Company, Mr. Liu as at 31 December 2025 and 2024; and
- (vi) personal guarantee by a director of a subsidiary as at 31 December 2025 and 2024.

The bank borrowings are repayable as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year or on demand	68,589	46,965
After one year but within two years	10,020	10,020
After two years but within three years	23,610	15,960
After three years but within four years	–	10,000
	102,219	82,945

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. BANK BORROWINGS (Continued)

These borrowings carried interest at fixed rate ranging from 2.75% to 5% per annum (2024: 3.10% to 5% per annum).

At the end of the reporting period, the Group has the following undrawn borrowing facilities:

	2025 RMB'000	2024 RMB'000
Fixed rate		
– Expiring beyond one year	10,500	4,500

23. DEFERRED TAXATION

The amounts recognised in the consolidated statement of financial position are as follows:

	2025 RMB'000	2024 RMB'000
Deferred tax assets recognised in the consolidated statement of financial position	53,584	36,674
Deferred tax liabilities recognised in the consolidated statement of financial position	(19,289)	(24,708)

The movement of net deferred tax assets/(liabilities) are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	11,966	5,950
Acquisition of subsidiaries (note 28)	–	88
Disposal of subsidiaries (note 33)	(1,564)	–
Credited to profit or loss (note 8)	23,893	5,928
At the end of the year	34,295	11,966

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. DEFERRED TAXATION (Continued)

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

Deferred tax assets

	Provision and accruals <i>RMB'000</i>	ECL allowance on receivables <i>RMB'000</i>	Recognition of lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	3,162	25,782	2,628	31,572
Acquisition of subsidiaries (<i>note 28(b)(ii)</i>)	-	88	-	88
Initial recognition of lease liabilities	-	-	3,485	3,485
Credited/(charged) to profit or loss	609	2,915	(1,995)	1,529
At 31 December 2024 and 1 January 2025	3,771	28,785	4,118	36,674
Disposal of subsidiaries (<i>note 33</i>)	(20)	(4,214)	-	(4,234)
Initial recognition of lease liabilities	-	-	3,207	3,207
Credited to profit or loss	2,799	10,110	5,028	17,937
At 31 December 2025	6,550	34,681	12,353	53,584

Deferred tax liabilities

	Fair value adjustments on business combinations <i>RMB'000</i>	Withholding tax on undistributed earnings <i>RMB'000</i>	Recognition of right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	(18,239)	(4,600)	(2,783)	(25,622)
Initial recognition of right-of-use assets	-	-	(3,485)	(3,485)
Credited to profit or loss	2,501	-	1,898	4,399
At 31 December 2024 and 1 January 2025	(15,738)	(4,600)	(4,370)	(24,708)
Disposal of subsidiaries (<i>note 33</i>)	2,670	-	-	2,670
Initial recognition of right-of-use assets	-	-	(3,207)	(3,207)
Credited to profit or loss	2,289	-	3,667	5,956
At 31 December 2025	(10,779)	(4,600)	(3,910)	(19,289)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. DEFERRED TAXATION (Continued)

Deferred tax liabilities (Continued)

As at 31 December 2025, accumulated profits of the Group's subsidiaries established in the PRC amounted to RMB290,696,000 (2024: RMB352,813,000) which would be subject to withholding taxes according to the relevant laws and regulations in the PRC. In the opinion of the directors, the Group controls the dividend policy of these subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

The directors expect to declare and distribute the accumulated profits amounting to RMB46,000,000 (2024: RMB46,000,000) in the foreseeable future and accordingly, deferred tax liabilities of RMB4,600,000 (2024: RMB4,600,000) was recognised. As at 31 December 2025, the aggregate amount of temporary differences associated undistributed retained earnings for which deferred tax liabilities have not been recognised amounting to approximately RMB250,475,000 (2024: RMB301,360,000).

As at 31 December 2025, the Group had unused tax losses of approximately RMB65,050,000 (2024: RMB29,348,000) to carry forward against future taxable income of certain subsidiaries. No deferred tax asset had been recognised in respect of these losses due to the unpredictability of future profit streams.

Pursuant to the relevant laws and regulations in the PRC, the unrecognised tax losses at the reporting date will expire in the following years:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
2025	–	17
2026	1,840	2,478
2027	952	470
2028	12,680	18,172
2029	25,423	8,211
2030	24,155	–
	65,050	29,348

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. SHARE CAPITAL

	Number of shares	Nominal value of shares <i>United States dollar ("US\$")</i>
Authorised:		
<i>Ordinary shares of the Company:</i>		
Ordinary shares at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	5,000,000,000	50,000

	Number of shares	Nominal value of shares <i>US\$</i>	Equivalent nominal value of shares <i>RMB'000</i>
Issued and fully paid:			
<i>Ordinary shares of the Company:</i>			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	560,000,000	5,600	38

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

25. RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value.

(b) Statutory reserve

In accordance with the relevant laws and regulations for the Group's subsidiaries incorporated in the PRC, it is required to appropriate 10% of its annual statutory net profit determined in accordance with China Accounting Standards for Enterprises issued by the Ministry of Finance of PRC, after offsetting any prior years' losses, to the statutory reserve. When the balance of such a reserve reaches 50% of the registered capital of the respective company, any further appropriation is at the discretion of shareholders. The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of registered capital. The statutory reserve is non-distributable.

(c) Capital reserve

The capital reserve of the Group represents the capital contribution from the shareholders.

(d) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(e) Other reserve

Other reserve represents the difference between the fair value of consideration paid and payable and the carrying amount of net assets attribute to the changes in ownerships in the subsidiaries being acquired or disposed from non-controlling interests without change of control.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

25. RESERVES (Continued)

(f) The amounts of the Company's reserves and the movements are presented as follows:

	Share premium <i>RMB'000</i>	Merger reserve <i>RMB'000</i> <i>(note)</i>	Exchange reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total reserves <i>RMB'000</i>
At 1 January 2024	319,252	101,178	13,151	(84,546)	349,035
Loss for the year	-	-	-	(3,173)	(3,173)
Other comprehensive income for the year					
– Exchange differences on translation of the Company's financial statements into its presentation currency	-	-	5,320	-	5,320
At 31 December 2024 and 1 January 2025	319,252	101,178	18,471	(87,719)	351,182
Loss for the year	-	-	-	(2,895)	(2,895)
Other comprehensive income for the year					
– Exchange differences on translation of the Company's financial statements into its presentation currency	-	-	(6,057)	-	(6,057)
At 31 December 2025	319,252	101,178	12,414	(90,614)	342,230

Note: Merger reserve represents the difference between the fair values of the subsidiaries being acquired and the nominal value of the Company's share capital issued in exchange.

As at 31 December 2025, the aggregate amount of reserves available for distribution to equity holders of the Company was RMB329,816,000 (2024: RMB332,711,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. SHARE OPTION SCHEME

On 14 June 2019 (the “**Adoption Date**”), the Company adopted a share option scheme (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and the shareholders as a whole.

The Share Option Scheme is valid and effective for a period of 10 years commencing on the Adoption Date unless terminated earlier by the shareholders in general meeting.

The maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the total number of shares in issue.

No option of the Company was granted to the Company’s employees and other eligible participants since the Adoption Date and up to the date of these consolidated financial statements.

27. COMMITMENTS

(a) Lease commitments

As lessor

The Group had total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	1,653	1,546
After one year but within two years	–	343
	1,653	1,889

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. COMMITMENTS (Continued)

(b) Capital commitments

Capital commitments outstanding at the end of the reporting period not provided for were as follows:

	2025 RMB'000	2024 RMB'000
Capital injection into certain subsidiaries	240	489

28. ACQUISITION OF SUBSIDIARIES

(a) During the year ended 31 December 2024, the Group acquired a subsidiary from an independent third party.

(i) Subsidiary acquired

	Principal activities	Date of acquisition	Proportion of shares acquired	Cash consideration transferred RMB'000
Zaoyang Shenghong Life Services Co., Ltd. ("Zaoyang Shenghong") (襄陽市勝泓生活服務有限責任公司)	Provision of property management services and related value-added services	31 May 2024	49%	980

Under certain contractual agreement with the non-controlling interests of Zaoyang Shenghong, the Company controlled Zaoyang Shenghong by way of controlling the voting rights, governing its financial and operating policies, appointing or removing the majority of the directors in board. As a result, Zaoyang Shenghong is treated as the subsidiary of the Company and its financial results have been consolidated by the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. ACQUISITION OF SUBSIDIARIES (Continued)

- (a) During the year ended 31 December 2024, the Group acquired a subsidiary from an independent third party. (Continued)

(i) Subsidiary acquired (Continued)

The English name of the PRC company referred to above in this note represents management's best effort in translating the Chinese name of this company as no English name has been registered or available.

The above subsidiary was acquired to expand the Group's property management service portfolio and provide synergies to its existing property management business.

(ii) Fair value of the identifiable assets and liabilities of the subsidiary acquired at the acquisition date

	Zaoyang Shenghong <i>RMB'000</i>
Deferred tax assets	88
Trade and other receivables, net of ECL allowance	824
Prepayments	30
Bank balances and cash	1,679
Contract liabilities	(288)
Trade and other payables	(124)
Income tax liabilities	(14)
Total identifiable net assets acquired	<u>2,195</u>

(iii) Non-controlling interests

The non-controlling interests of 51% in Zaoyang Shenghong at the acquisition date of RMB1,119,000 were measured by reference to the proportionate share of the recognised amount of net assets of Zaoyang Shenghong at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. ACQUISITION OF SUBSIDIARIES (Continued)

- (a) During the year ended 31 December 2024, the Group acquired a subsidiary from an independent third party. (Continued)

(iv) **Gain on bargain purchase arising on acquisition**

	Zaoyang Shenghong <i>RMB'000</i>
Cash consideration	980
Less: Fair value of identifiable net assets	(2,195)
	(1,215)
Non-controlling interests	1,119
Gain on bargain purchase	(96)

None of the negative goodwill arising on this acquisition is expected to be taxable for tax purposes.

(v) **Net cash inflow on acquisition of a subsidiary**

	<i>RMB'000</i>
Cash consideration paid	(980)
Bank balances and cash acquired	1,679
	699

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. ACQUISITION OF SUBSIDIARIES (Continued)

- (a) During the year ended 31 December 2024, the Group acquired a subsidiary from an independent third party. (Continued)

(vi) Impact on acquisitions on the results of the Group

Included in the profit for the year ended 31 December 2024 was loss of RMB486,000 attributable to the additional business generated by Zaoyang Shenghong. Revenue for the year ended 31 December 2024 included RMB2,268,000 in respect of Zaoyang Shenghong.

If the acquisitions had occurred on 1 January 2024, the Group's revenue and profit for the year ended 31 December 2024 would have been RMB1,368,956,000 and RMB85,790,000 respectively. This pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

29. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties:

- a. The transactions with related parties of the Group carried out in the ordinary course of business were as follows:

	2025 RMB'000	2024 RMB'000
Companies controlled by Mr. Liu		
Revenue arising from provision of property management and value-added services*	14,792	26,661

* These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

b. Balances with related parties

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amounts due from related parties		
Trade receivables		
– companies controlled by Mr. Liu	98,892	82,730
– companies with common key management personnel	3,995	7,095

c. Key management personnel remuneration

Key management of the Group are members of the board of directors and senior management. Included in employee benefit expenses are key management personnel remuneration which includes the following expenses:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Directors' fees	609	660
Salaries, bonus and allowances	3,379	2,073
Retirement benefit scheme contributions	333	322
	4,321	3,055

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Investments in subsidiaries (<i>note</i>)		104,357	104,357
		104,357	104,357
Current assets			
Amounts due from subsidiaries		248,788	257,316
Bank balances and cash		237	567
		249,025	257,883
Current liabilities			
Other payables		11,114	11,020
Net current assets		237,911	246,863
Net assets		342,268	351,220
EQUITY			
Share capital		38	38
Reserves	<i>25(f)</i>	342,230	351,182
Total equity		342,268	351,220

Approved and authorised for issue by the board of directors on 27 March 2026.

Note: Details of the principal subsidiaries are stated in note 31.

Wang Wenhao
Director

Hu Hongfang
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES

Details of the principal subsidiaries at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Country/place and date of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held	Principal activities and principal country of operation
Directly held by the Company				
Hevol Group Limited ³	Hong Kong/ 7 June 2018	US\$1	100% (2024: 100%)	Agency business and Investment holding in Hong Kong
Rime Venture Limited ³	BVI/ 28 March 2018	US\$1	100% (2024: 100%)	Investment holding in the British Virgin Islands
Indirectly held by the Company				
Rime Venture (HK) Limited ³	Hong Kong/ 23 May 2018	US\$1	100% (2024: 100%)	Investment holding in Hong Kong
Hevol Furuiying (Guizhou) Information Consultancy Limited ¹ 和泓福瑞盈(貴州)信息諮詢有限公司	PRC/ 13 September 2018	RMB415,575,600/ RMB415,575,600	100% (2024: 100%)	Management consultation and Investment holding in Mainland China
Guizhou Hevol Abundance Property Management Limited ² 貴州和泓豐盈物業管理有限公司	PRC/ 19 July 2018	RMB5,000,000/ RMB5,000,000	100% (2024: 100%)	Investment holding in Mainland China
Beijing Hongsheng Investment Limited ² 北京泓升投資有限責任公司	PRC/ 13 January 2006	RMB30,000,000/ RMB30,000,000	100% (2024: 100%)	Management consultation and Investment holding in Mainland China
Beijing Hevol Property Services ² 北京和泓物業服務有限公司	PRC/ 9 April 2002	RMB20,000,000/ RMB12,000,000	100% (2024: 100%)	Property management services in Mainland China
Guiyang Hevol Property Services ² Company Limited 貴陽和泓物業服務有限公司	PRC/ 9 November 2006	RMB500,000/ RMB500,000	100% (2024: 100%)	Property management services in Mainland China

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Country/place and date of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held	Principal activities and principal country of operation
Indirectly held by the Company (Continued)				
Panzhoushi Hongsheng Property Services Co. Ltd ² 盤州市泓升物業服務有限公司	PRC/ 28 March 2022	RMB800,000/ RMB800,000	60% (2024: 60%)	Property management services in Mainland China
Hainan Hevol Hotel Property Services Company Limited ² 海南和泓酒店物業服務有限公司	PRC/ 18 January 2012	RMB5,000,000/ RMB5,000,000	100% (2024: 100%)	Property management services in Mainland China
Beijing Shangxianghui Trade Company Limited ² 北京商享匯貿易有限公司	PRC/ 12 October 2020	RMB1,000,000/ RMB200,000	100% (2024: 100%)	Trading services in Mainland China
Beijing Hongteng Real Estate Investment Consulting Co., Ltd. ² 北京紅藤房地產投資顧問有限公司	PRC/ 28 August 2013	RMB1,000,000 ⁴	100% (2024: 100%)	Real estate brokerage services in Mainland China
Chengdu Hongteng Real Estate Agency Co., Ltd. ² 成都泓藤房地產經紀有限公司	PRC/ 17 April 2024	RMB100,000 ⁴	100% (2024: 100%)	Real estate brokerage services in Mainland China
Beijing He Zhong Real Estate Agency Co., Ltd. ² 北京和眾置地房地產經紀有限公司	PRC/ 5 January 2007	RMB1,000,000/ RMB1,000,000	51% (2024: 51%)	Real estate brokerage services in Mainland China
Beijing Hetianyu Housing Rental Company Limited ² 北京和甜寓住房租賃有限公司	PRC/ 4 August 2023	RMB100,000 ⁴	51% (2024: 51%)	Housing rental services in Mainland China
Beijing Hongzhi New Energy Co., Ltd. ² 北京泓智新能源有限公司	PRC/ 20 March 2024	RMB300,000/ RMB300,000	100% (2024: 100%)	Operation of electric vehicle charging facilities in Mainland China

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Country/place and date of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held	Principal activities and principal country of operation
Indirectly held by the Company (Continued)				
Chongqing Hevol Property Services Company Limited ² 重慶和泓物業服務有限公司	PRC/ 22 June 2007	RMB10,000,000/ RMB10,000,000	100% (2024: 100%)	Property management services in Mainland China
Chongqing Hengshuo Wisdom Life Services Company Limited ² 重慶恆碩智慧生活服務有限公司	PRC/ 24 August 2020	RMB500,000/ RMB500,000	100% (2024: 100%)	Community living services in Mainland China
Chongqing Chengshuo Wisdom Life Services Company Limited ² 重慶誠碩智慧生活服務有限公司	PRC/ 26 June 2023	RMB100,000/ RMB100,000	100% (2024: 100%)	Community living services in Mainland China
Chongqing Hongshuo Wisdom Life Services Company Limited ² 重慶泓碩智慧生活服務有限公司	PRC/ 28 November 2023	RMB100,000/ RMB100,000	100% (2024: 100%)	Community living services in Mainland China
Chongqing Houcheng Property Services Co., Ltd. ² 重慶厚誠物業服務有限公司	PRC/ 5 June 2024	RMB100,000/ RMB100,000	100% (2024: 100%)	Property management services in Mainland China
Chongqing Zhihuan Chuanglian Wisdom Life Services Company Limited ² 重慶智環創聯智慧生活服務有限公司	PRC/ 4 September 2024	RMB500,000 ⁴	51% (2024: 51%)	Community living services in Mainland China
Tianjin Hevol Property Management Services Company Limited ² 天津和泓物業管理服務有限公司	PRC/ 30 April 2008	RMB5,000,000/ RMB5,000,000	100% (2024: 100%)	Property management services in Mainland China
Shenyang Hevol Property Services Company Limited ² 瀋陽和泓物業服務有限公司	PRC/ 16 August 2010	RMB1,000,000/ RMB1,000,000	100% (2024: 100%)	Property management services in Mainland China
Tangshan Hevol Property Services Company Limited ² 唐山和泓物業服務有限公司	PRC/ 11 January 2011	RMB500,000/ RMB500,000	100% (2024: 100%)	Property management services in Mainland China

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Country/place and date of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held	Principal activities and principal country of operation
Indirectly held by the Company (Continued)				
Hunan Hehua Property Services Company Limited ² 湖南和華物業服務有限公司	PRC/ 26 November 2012	RMB2,000,000/ RMB2,000,000	100% (2024: 100%)	Property management services in Mainland China
Hunan Jinying Property Management Co., Ltd. ² 湖南金鷹物業管理有限公司	PRC/ 22 May 2019	RMB3,000,000 ⁴	51% (2024: 51%)	Property management services in Mainland China
Yiyang Hevol Property Management Services Company Limited ² 益陽和泓物業服務有限公司	PRC/ 25 December 2020	RMB10,000,000/ RMB170,000	51% (2024: 51%)	Property management services in Mainland China
Changsha Hongmao Tourism Development Co., Ltd. ² 長沙泓貿旅遊發展有限公司	PRC/ 14 September 2023	RMB500,000 ⁴	100% (2024: 100%)	Travel agency services in Mainland China
Guizhou Hevol Property Services ² 貴州和泓物業服務有限公司	PRC/ 21 May 2021	RMB1,000,000 ⁴	100% (2024: 100%)	Property management services in Mainland China
Guizhou Heshun Zhenxuan Trade Company Limited ² 貴州和順甄選商貿有限公司	PRC/ 30 January 2024	RMB1,000,000 ⁴	100% (2024: 100%)	Trading services in Mainland China
Guizhou Zhixianghong Real Estate Service Co., Ltd. ² 貴州智享泓置業服務有限公司	PRC/ 5 February 2024	RMB100,000 ⁴	100% (2024: 100%)	Real estate brokerage services in Mainland China
Zhengzhou Hevol Property Services Co., Ltd. ² 鄭州和泓物業服務有限公司	PRC/ 15 December 2022	RMB2,000,000 ⁴	51% (2024: 51%)	Property management services in Mainland China
Guangzhou Hevol Property Services Co., Ltd. ² 廣州和泓物業服務有限公司	PRC/ 9 June 2023	RMB1,000,000 ⁴	100% (2024: 100%)	Property management services in Mainland China
Guangzhou Hongyu Property Services Co., Ltd. ² 廣州泓譽物業服務有限公司	PRC/ 30 November 2023	RMB5,000,000/ RMB1,000,000	60% (2024: 60%)	Property management services in Mainland China

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Country/place and date of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held	Principal activities and principal country of operation
Indirectly held by the Company (Continued)				
Sichuan Heyuehui Property Services Co., Ltd. ² 四川和悅匯物業服務有限公司	PRC/ 27 June 2024	RMB1,000,000 ⁴	51% (2024: 51)	Property management services in Mainland China
Zaoyang Shenghong Life Services Co., Ltd. ² 棗陽市勝泓生活服務有限責任公司	PRC/ 23 August 2023	RMB2,000,000/ RMB2,000,000	49% (2024: 49)	Property management services in Mainland China
Shanghai Tongjin Property Management Services Co. Ltd ² 上海同進物業服務有限公司	PRC/ 29 May 2003	RMB50,000,000/ RMB5,000,000	70% (2024: 70%)	Property management services in Mainland China
Shanghai Wanrun Property Management Co., Ltd. ² 上海萬潤物業管理有限公司	PRC/ 5 April 2005	RMB500,000/ RMB500,000	70% (2024: 70%)	Property management services in Mainland China
Jiangsu Tongjin Property Management Services ² 江蘇同進物業服務有限公司	PRC/ 9 January 2009	RMB5,000,000/ RMB5,000,000	70% (2024: 70%)	Property management services in Mainland China
Shanghai Haoshi Trade Company Limited ² 上海浩獅商貿有限公司	PRC/ 2 September 2022	RMB3,000,000 ⁴	70% (2024: 70%)	Trading services in Mainland China
Shanghai Hongjinji Trade Company Limited ² 上海泓進集商貿有限公司	PRC/ 8 May 2024	RMB500,000 ⁴	70% (2024: 70%)	Trading services in Mainland China
Kunshan Honghai Real Estate Agency Company Limited ² 昆山泓海房地產經紀有限公司	PRC/ 17 May 2024	RMB500,000 ⁴	70% (2024: 70%)	Real estate brokerage services in Mainland China
Shanghai Tongjia Property Management Services Co. Ltd ² 上海同嘉物業服務有限公司	PRC/ 31 October 2018	RMB25,000,000/ RMB6,250,000	60% (2024: 60%)	Property management services in Mainland China
Dongguan Baoying Property Management Company Limited ² 東莞市寶盈物業管理有限公司	PRC/ 2 May 2013	RMB3,000,000/ RMB3,000,000	60% (2024: 60%)	Property management services in Mainland China

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Country/place and date of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held	Principal activities and principal country of operation
Indirectly held by the Company (Continued)				
Hohhot Huigu Property Services Company Limited ² 呼和浩特市慧谷物業服務有限公司	PRC/ 26 October 2012	RMB500,000/ RMB500,000	65% (2024: 65%)	Property management services in Mainland China
Zhongzheng Property Services (Zhongshan) Company Limited ² ("Zhongshan Zhongzheng") 中正物業服務(中山)有限公司	PRC/ 18 January 2008	RMB10,000,000/ RMB10,000,000	N/A [^] (2024: 51%)	Property management services in Mainland China
Sichuan Wansheng Property Service Co., Ltd. ² 四川萬晟物業服務有限公司	PRC/ 23 April 2013	RMB5,000,000/ RMB5,000,000	90% (2024: 90%)	Property management services in Mainland China
Sichuan Renjun Property Services Company Limited ² 四川仁郡物業服務有限公司	PRC/ 7 May 2020	RMB3,000,000/ RMB3,000,000	90% (2024: 90%)	Property management services in Mainland China
Jiangsu Shenhua Times Property Group Co., Ltd. ² ("Jiangsu Shenhua") 江蘇深華時代物業集團有限公司	PRC/ 5 September 2008	RMB20,000,000/ RMB5,000,000	N/A [^] (2024: 51%)	Property management services in Mainland China
Panjin Four Seasons City Property Management Co., Ltd. ² 盤錦四季城物業管理有限公司	PRC/ 23 August 2006	RMB3,000,000/ RMB3,000,000	51% (2024: 51%)	Property management services in Mainland China
Panjin Yongli Property Management Company Limited ² 盤錦永利物業管理有限公司	PRC/ 18 April 2012	RMB1,000,000/ RMB1,000,000	51% (2024: 51%)	Property management services in Mainland China
Panjin Four Seasons City Property Comprehensive Service Co., Ltd. ² 盤錦四季城物業綜合服務有限公司	PRC/ 21 April 2023	RMB100,000/ RMB100,000	51% (2024: 51%)	Property management services in Mainland China

[^] During the year ended 31 December 2025, the Group fully disposed of its equity interest in Zhongshan Zhongzheng and Jiangsu Shenhua as detailed in note 33.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Country/place and date of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held	Principal activities and principal country of operation
Indirectly held by the Company (Continued)				
Guiyang Xinglong Property Management Co., Ltd ² 貴陽興隆物業管理有限公司	PRC/ 10 June 2004	RMB10,000,000/ RMB10,000,000	100%* (2024: 70%)	Property management services in Mainland China
Guizhou Hevol Xinglong Property Management Company Limited ² 貴州和泓興隆物業管理有限公司	PRC/ 23 September 2011	RMB5,000,000/ RMB5,000,000	81% (2024: 56.7%)	Property management services in Mainland China
Zunyi Jinning Property Management Co., Ltd. ² 遵義市金寧物業管理有限公司	PRC/ 19 August 2004	RMB5,000,000/ RMB5,000,000	68.75% (2024: 68.75%)	Property management services in Mainland China
Zunyi Jiayi Real Estate Agency Company Limited ² 遵義家壹房產經紀有限公司	PRC/ 15 March 2018	RMB500,000/ RMB50,000	35.06% (2024: 35.06%)	Real estate brokerage services in Mainland China
Zunyi Hongjin Trade Company Limited ² 遵義市泓金商貿有限公司	PRC/ 24 April 2024	RMB1,000,000 ⁴	68.75% (2024: 68.75%)	Trading services in Mainland China
Chongqing Xinlongxin Property Management Co., Ltd. ² 重慶新隆信物業管理有限公司	PRC/ 1 August 2003	RMB30,000,000/ RMB5,000,000	100% (2024: 100%)	Property management services in Mainland China
Chongqing Hexinjia Life Services Company Limited ² 重慶和信家生活服務有限公司	PRC/ 5 June 2023	RMB1,000,000/ 850,000	100% (2024: 100%)	Community living services in Mainland China

¹ Registered as a wholly foreign-owned enterprise under the PRC law

² Registered as a limited liability company under the PRC law

³ Incorporated as a limited liability company under local jurisdiction

⁴ The Group has not yet paid in any capital

* During the year ended 31 December 2025, the Group further acquired the remaining 30% equity interests of Guiyang Xinglong from its non-controlling interests at a total consideration of RMB60,190,000.

The English names of certain companies referred herein represent management's best effort at translating the Chinese names of these companies as no English name has been registered.

All companies comprising the Group have adopted 31 December as their financial year end date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES (Continued)

The Group includes the following subsidiaries with material non-controlling interests (“**NCI**”), the details and the summarised financial information, before intragroup eliminations, are as follows:

Zunyi Jinning:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NCI percentage	31.25%	31.25%
Current assets	107,769	98,964
Non-current assets	6,463	4,026
Current liabilities	(74,433)	(71,486)
Non-current liabilities	(4,950)	–
Net assets	34,849	31,504
Carrying amount of NCI	10,890	9,845
Revenue	125,932	129,933
Profit and total comprehensive income for the year	13,344	20,321
Profit and total comprehensive income attributable to NCI	4,170	6,350
Net cash generated from/(used in) operating activities	2,104	(4,570)
Net cash used in investing activities	(163)	(152)
Net cash inflows/(outflows) for the year	1,941	(4,722)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. PARTICULARS OF SUBSIDIARIES (Continued)

Guiyang Xinglong and its subsidiary:

	2024 <i>RMB'000</i>
NCI percentage	30%
Current assets	248,494
Non-current assets	7,508
Current liabilities	(213,069)
Non-current liabilities	–
Net assets	42,933
Carrying amount of NCI	12,880
Revenue	194,245
Profit and total comprehensive income for the year	21,993
Profit and total comprehensive income attributable to NCI	6,598
Net cash generated from operating activities	16,807
Net cash generated from investing activities	2,265
Net cash inflows for the year	19,072

During the year ended 31 December 2025, the Group acquired the remaining 30% equity interest of Guiyang Xinglong from its non-controlling interests at a consideration of RMB60,190,000.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

Other than those disclosed in note 18(a), the Group has entered into the following major non-cash transactions during the years ended 31 December 2025 and 2024:

During the year ended 31 December 2025, the Group entered into certain lease contracts in which additions to right-of-use assets and lease liabilities in respect of investment properties amounting to RMB1,852,000 (2024: RMB13,145,000) (note 14) were recorded at the lease commencement date.

During the year ended 31 December 2025, the Group entered into certain lease contracts in which additions to right-of-use assets and lease liabilities in respect of property, plant and equipment amounting to RMB21,897,000 (2024: RMB464,000) (note 12) were recorded at the lease commencement date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities

The table below set out the reconciliation of liabilities arising from financing activities for the years ended 31 December 2025 and 2024.

	Bank borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	55,000	14,987	69,987
Cash flows from financing activities			
– Proceeds	47,445	–	47,445
– Repayments	(19,500)	–	(19,500)
– Payment of capital element of leases	–	(9,600)	(9,600)
– Payment of interest element of leases	–	(643)	(643)
– Payment of interest element of bank borrowings	(3,017)	–	(3,017)
Other changes:			
– Entering into new leases	–	13,145	13,145
– Effect of lease modification	–	(780)	(780)
– Interest expenses on lease liabilities	–	643	643
– Interest expenses on bank borrowings	3,017	–	3,017
At 31 December 2024	82,945	17,752	100,697
Cash flows from financing activities			
– Proceeds	74,059	–	74,059
– Repayments	(44,795)	–	(44,795)
– Payment of capital element of leases	–	(14,775)	(14,775)
– Payment of interest element of leases	–	(1,435)	(1,435)
– Payment of interest element of bank borrowings	(4,070)	–	(4,070)
Other changes:			
– Disposal of subsidiaries (<i>note 33</i>)	(9,990)	–	(9,990)
– Entering into new leases	–	23,749	23,749
– Effect of lease modification	–	(2,975)	(2,975)
– Interest expenses on lease liabilities	–	1,435	1,435
– Interest expenses on bank borrowings	4,070	–	4,070
At 31 December 2025	102,219	23,751	125,970

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2025, the Group disposed of two subsidiaries, namely Jiangsu Shenhua and Zhongshan Zhongzhen. Further details of the transactions were set out in the Company's announcements dated 9 May 2025, 20 May 2025 and 14 November 2025 respectively. These disposals were duly completed on 31 May 2025 and 30 November 2025 respectively.

	Jiangsu Shenhua <i>RMB'000</i>	Zhongshan Zhongzhen <i>RMB'000</i>
Net assets disposed of:		
Property, plant and equipment	692	1,419
Intangible assets	8,036	2,655
Deferred tax assets	4,056	178
Inventories	359	–
Cash and bank balances	1,950	4,380
Trade receivables and other receivables	62,193	18,769
Trade and other payables	(15,708)	(10,473)
Contract liabilities	(17,280)	(968)
Tax payable	(1,816)	(242)
Deferred tax liabilities	(2,007)	(663)
Borrowings	(9,990)	–
Goodwill	31,299	8,799
Non-controlling interests	(11,984)	(6,406)
Total	49,800	17,448
Cash consideration	30,500	7,877
Loss on disposal of subsidiaries	19,300	9,571

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries are as follows:

	2025 RMB'000
Cash consideration	38,377
Cash and bank balances disposed of	(6,330)
Consideration receivable recorded in trade and other receivables as at 31 December 2025 (<i>note 18(b)</i>)	(15,500)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	16,547

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk). The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the board of directors.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Financial assets		
Financial assets at amortised cost		
– Other deposits	528	26,476
– Trade and other receivables	662,047	704,071
– Restricted bank deposits	2,309	1,232
– Bank balances and cash	239,453	273,705
Financial liabilities		
Financial liabilities at amortised cost		
– Bank borrowings	102,219	82,945
– Trade and other payables	452,097	414,794
– Lease liabilities	23,751	17,752

34.2 Credit risk

Credit risk refers to the risk that the counterparty to a financial assets would fail to discharge its obligation under the terms of the financial assets and cause a financial loss to the Group. The Group's maximum exposure to credit risk in relation to financial assets is limited to the carrying amount at each reporting date as disclosed in note 34.1.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.2 Credit risk (Continued)

(i) *Trade receivables*

The Group's policy is to deal only with credit worthy counterparties. Payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

In addition, as set out in note 2.9, the Group assesses ECL under IFRS 9 on trade receivables based on provision matrix, the ECL rates are based on the payment profile for sales in the past 36 months as well as the corresponding historical credit losses during that period. The management would also make individual assessment on the recoverability of trade receivables from related parties. The historical rates are adjusted to reflect current and forwarding-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within credit terms and failure to engage with the Group on alternative payment arrangement amongst other are considered indicators of no reasonable expectation of recovery.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.2 Credit risk (Continued)

(i) Trade receivables (Continued)

Details of the estimation of ECL allowance on trade receivables are set out below:

	Third parties						Individual assessment	Related parties	Total
	0-90 days RMB'000	91-180 days RMB'000	181-365 days RMB'000	1-2 years RMB'000	2-3 years RMB'000	>3 years RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025									
Weighted average expected credit loss rate	5.2%	8.3%	12.7%	26.4%	31.1%	46.8%	100%	32.3%	
Gross carrying amount	63,452	40,982	68,757	105,147	77,181	101,790	37,103	65,784	560,196
ECL allowance	3,317	3,409	8,742	27,719	24,015	47,679	37,103	21,236	173,220
At 31 December 2024									
Weighted average expected credit loss rate	5.9%	8.9%	12.6%	20.0%	25.3%	46.5%	N/A	21.7%	
Gross carrying amount	77,283	53,458	96,705	114,214	66,053	66,082	-	89,825	563,620
ECL allowance	4,356	4,772	12,041	22,821	16,732	30,758	-	19,473	110,953

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.2 Credit risk (Continued)

(ii) *Other financial assets at amortised cost*

Other financial assets at amortised cost include other receivables, amounts due from related parties restricted bank deposits and bank balances and cash. The Group has large number of counterparties for its other receivables other than those from related parties. There was no concentration of credit risk. In order to minimise the credit risk of other receivables and amounts due from related parties, the management would make periodic collective and individual assessment on the recoverability of other receivables and amounts due from related parties based on historical settlement records and past experience as well as collateral and current external information and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operates. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, the management is of the opinion that there is no significant increase in credit risk on these financial assets since initial recognition as the risk of default is low after considering the factors as set out in note 2.9 and, thus, ECL recognised is based on 12-month ECL.

Bank deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions. The management does not expect that there will be any significant losses from non-performance by these counterparties.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.2 Credit risk (Continued)

(ii) Other financial assets at amortised cost (Continued)

The gross carrying amount of other receivables by stage is as follows:

	12-month ECLs	Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2025				
Other receivables	282,761	–	26,914	309,675
At 31 December 2024				
Other receivables	283,114	–	3,315	286,429

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

	12-month ECLs	Lifetime ECLs	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024			
ECL allowance recognised, net	3,403	3,832	7,235
	2,275	(961)	1,314
At 31 December 2024 and 1 January 2025			
ECL allowance recognised, net	5,678	2,871	8,549
	1,484	24,043	25,527
At 31 December 2025			
	7,162	26,914	34,076

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.3 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of their recognised financial liabilities as summarised in note 34.1, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

Analysed below is the Group's remaining contractual maturities for its financial liabilities as at 31 December 2025 and 2024. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

The contractual maturity analyses below is based on the undiscounted cash flows of the financial liabilities:

	Within 1 year or on demand <i>RMB'000</i>	Over 1 year but within 2 years <i>RMB'000</i>	Over 2 years but within 5 years <i>RMB'000</i>	Total contractual undiscounted amount <i>RMB'000</i>	Carrying amount <i>RMB'000</i>
As at 31 December 2025					
Trade and other payables	452,097	–	–	452,097	452,097
Bank borrowings	69,968	10,521	24,318	104,807	102,219
Lease liabilities	11,018	5,979	8,769	25,766	23,751
	533,083	16,500	33,087	582,670	578,067
As at 31 December 2024					
Trade and other payables	414,794	–	–	414,794	414,794
Bank borrowings	49,078	10,521	27,258	86,857	82,945
Lease liabilities	11,541	5,916	1,120	18,577	17,752
	475,413	16,437	28,378	520,228	540,764

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.4 Interest rate risk

The Group is exposed to the cash flow interest rate risk and fair value interest rate risk for its bank deposits, bank borrowings and lease liabilities, respectively. No sensitivity analysis is presented since the directors consider the exposure of cash flow interest rate and fair value interest rate risk arising from variable-rate bank deposits, bank borrowings and lease liabilities, respectively, will not be significant in the near future.

34.5 Foreign currency risk

Foreign currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

As at 31 December 2025, the Group has bank balances of RMB236,596,000 (2024: RMB265,840,000) denominated in RMB placed with banks in the PRC. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The Group does not hedge its foreign currency risk. However, management monitors the foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

34.6 Fair value measurements

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.
- Level 3: significant unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.6 Fair value measurements (Continued)

There was no transfer into or out of level 3 during the years ended 31 December 2024.

The following table presents the changes in level 3 financial assets for the year ended 31 December 2024:

	<i>RMB'000</i>
At 1 January 2024	3,180
Additions	7,300
Fair value changes included in profit or loss	25
Disposals	(10,505)
At 31 December 2024	–

The fair values of these investments were determined based on the expected return rate as stipulated in relevant contract with the counterparties.

The fair values of these investments were determined based on the expected return rate as stipulated in relevant contract with the counterparties.

The fair values of the Group's financial assets and liabilities as at 31 December 2025 and 2024 are not materially different from their carrying amounts because of the immediate or short maturity of these financial instruments.

35. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. As part of this review, the directors of the Company consider cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

Five-Year Financial Summary

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	766,791	1,041,221	1,313,283	1,365,068	1,356,714
Cost of sales	(502,598)	(745,913)	(977,067)	(1,015,461)	(1,050,457)
Gross profit	264,193	295,308	(336,216)	349,607	306,257
Other income and gains and losses, net	15,496	16,220	39,724	11,041	(31,243)
Expected credit loss ("ECL") allowance on trade and other receivables, net	(5,810)	(46,976)	(45,519)	(43,132)	(111,972)
Administrative expenses	(134,464)	(145,810)	(186,583)	(206,082)	(200,270)
Finance costs	(465)	(465)	(1,380)	(3,660)	(5,505)
Share of profit of associates	–	–	12	101	933
(Loss)/profit before income tax	138,950	118,277	142,470	107,875	(41,800)
Income tax expense	(30,314)	(14,713)	(28,336)	(21,252)	(6,874)
(Loss)/profit for the year	108,636	103,564	114,134	86,623	(48,674)
Other comprehensive expense for the year, net of nil tax					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
– Exchange differences on translation of the Company's financial statements into its presentation currency	(981)	22,155	4,396	(173)	244
Total comprehensive income for the year	107,655	125,719	118,530	86,450	(48,430)

Five-Year Financial Summary

	Year ended 31 December				2025 RMB'000
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	
(Loss)/profit for the year attributable to:					
Equity shareholders of the Company	86,194	68,718	77,899	54,388	(64,689)
Non-controlling interests	22,442	34,846	36,235	32,235	16,015
	108,636	103,564	114,134	86,623	(48,674)
Total comprehensive income for the year attributable to:					
Equity shareholders of the Company	85,213	90,873	82,295	54,215	(64,445)
Non-controlling interests	22,442	34,846	36,235	32,235	16,015
	107,655	125,719	118,530	86,450	(48,430)
(Loss)/earnings per share attributable to owners of the Company (expressed in RMB cents)					
Basic and diluted	15.60	12.27	13.91	9.71	(11.55)

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	488,385	704,726	704,341	720,143	672,683
Current assets	685,862	928,537	948,132	1,007,381	935,645
Total assets	1,174,247	1,633,263	1,652,473	1,727,524	1,608,328
Equity and Liabilities					
Total equity	588,026	711,468	777,306	769,083	605,519
Non-current liabilities	25,500	54,113	69,632	67,517	66,571
Current liabilities	560,721	867,682	805,535	890,924	936,238
Total Liabilities	586,221	921,795	875,167	958,441	1,002,809
Total equity and liabilities	1,174,247	1,633,263	1,652,473	1,727,524	1,608,328

Particulars of Investment Properties

At 31 December 2025

Location	Held on Leases Term	Usage
157 car parking spaces, Xinghuayuan, Daxing District, Beijing, the PRC	Medium	Commercial
296 car parking spaces, Rainbow City, Nos. 66 and 68 Guangcai Road, Fengtai District, Beijing, the PRC	Medium	Commercial
Room 11–2, 19, 25, 31, 37, 46, 47, 51, 54, 57, 60, 63, 66, 69, Blocks 7 and 11 of Xishan Fenglin, No. 168 Xiangshan South Road, Shijingshan District, Beijing, the PRC	Medium	Commercial
Building 402, No. 150 Yinxing Road, Xiannvshan Town, Wulong District, Chongqing, the PRC	Medium	Commercial
Room 102, 103, 202, 203, 302, 401 and 1703, Hevol Changbaifu, Changbai District, Shenyang, the PRC	Medium	Commercial

Particulars of Investment Properties

At 31 December 2025

Location	Held on Leases Term	Usage
Room 1502, Unit 1 of Building 5 and Room 803, Unit 1 of Building 3, Mingyue Huating, Luoxing Subdistrict, Jiashan County, Jiaxing, the PRC	Medium	Commercial
Unit 1–5 of Longxin Huayangcheng, No. 6 Honggui Road, Shuanggui Street, Liangping District, Chongqing, the PRC	Medium	Commercial
Rooms 1-10, 13-26, Level 4 of Building 1 of Hevol Jiangshan International, No. 35 Changjiang 2 nd Road, Yuzhong District, Chongqing, the PRC	Medium	Commercial
No. 17, 19, 20, 21, 23, 24, 26 and 27, Level 1 of Building 18 and No. 18-26, Level 1 of Building 19, Tianfu Smart City North Area, No. 63 Deshan Road, Huairen Subdistrict, Renshou County, Meishan, the PRC	Medium	Commercial