

2025 ANNUAL REPORT

寶龍商業管理控股有限公司
POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED

Incorporated in the Cayman Islands with Limited Liability
(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 9909.HK

P O W E R L O N G





| 让空间有卷



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Group Introduction



Powerlong Commercial Management Holdings Limited (HK.9909) (the “**Company**” or “**Powerlong CM**”) and its subsidiaries (together, the “**Group**”) is a leading commercial operational service provider in the People’s Republic of China (“**China**” or the “**PRC**”). The Company was successfully listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2019 (the “**Listing Date**”), being the first commercial management operational service provider under an asset-light business model listed on the Stock Exchange. The Group focuses on the Yangtze River Delta region, especially city clusters with vast potentials for economic development. Based on local demand, it is committed to creating good city living.

The Group mainly provides commercial operational services under four brands, namely “Powerlong One Mall” (寶龍一城), “Powerlong City” (寶龍城), “Powerlong Plaza” (寶龍廣場) and “Powerlong Land” (寶龍天地). As of 31 December 2025, the Group had 96 retail commercial properties in operation, with an aggregate gross floor area (“**GFA**”)^{Note} in operation of approximately 11.1 million square meters (“**sq.m.**”). As of the same date, the Group had 121 retail commercial properties with an aggregate contracted GFA of approximately 13.7 million sq.m. for which the Group had been contracted to provide commercial operational services.

The Group also provides property management services for residential properties, office buildings and serviced apartments. As of 31 December 2025, the Group had 129 residential properties delivered of its property management service with an aggregate GFA delivered of approximately 24.1 million sq.m., and was contracted to manage 137 properties with an aggregate contracted GFA of approximately 30.1 million sq.m..

With the corporate mission of “creating space full of love”, the Group adheres to its corporate philosophy of “simple, truthful, prosper together, forward forever”, with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.

Note: Unless otherwise stated, all “GFA” of commercial properties referred to in this annual report include car parks.

Corporate Information

DIRECTORS

Executive Director

Mr. Hoi Wa Fong (Chairman of the Board)

Non-executive Directors

Ms. Hoi Wa Fan

Ms. Hoi Wa Lam

Independent non-executive Directors

Dr. Lu Xiongwen

Ms. Ng Yi Kum, Estella

Mr. Chan Wai Yan, Ronald

AUDIT COMMITTEE

Ms. Ng Yi Kum, Estella (Chairlady)

Mr. Chan Wai Yan, Ronald

Dr. Lu Xiongwen

REMUNERATION COMMITTEE

Dr. Lu Xiongwen (Chairman)

Mr. Hoi Wa Fong

Mr. Chan Wai Yan, Ronald

NOMINATION COMMITTEE

Mr. Hoi Wa Fong (Chairman)

Mr. Chan Wai Yan, Ronald

Dr. Lu Xiongwen

Ms. Ng Yi Kum, Estella (appointed on 26 March 2025)

JOINT COMPANY SECRETARIES

Ms. Zhang Yiting

Ms. Leung Wai Yan

AUTHORIZED REPRESENTATIVES

Ms. Hoi Wa Lam

Ms. Leung Wai Yan

REGISTERED OFFICE

Maples Corporate Services Limited

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

PLACE OF BUSINESS IN HONG KONG

19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Powerlong Tower

1399 Xinzhen Road

Minhang District

Shanghai

PRC

Postal Code: 201101

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited

P.O. Box 1093

Boundary Hall

Cricket Square

Grand Cayman KY1-1102

Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712–1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited

Bank of Communications Limited

Agricultural Bank of China Limited

Bank of China Limited

AUDITOR

KTC Partners CPA Limited

Certified Public Accountants

Room 1305-07, 13/F, New East Ocean Centre

9 Science Museum Road, Tsimshatsui East

Kowloon, Hong Kong

HONG KONG LEGAL ADVISOR

DLA PIPER HONG KONG

COMPANY'S WEBSITE

www.powerlongcm.com

Milestones and Awards

March

- Contracted for Binjiang Zhongnan Lingyunli (濱江中南凌雲里), a Powerlong Xinghui project

May

- Successful opening of Wuyishan Powerlong Plaza (武夷山寶龍廣場)

October

- Injected new vitality and creativity to commercial spaces, under the theme of "city blind box" at the fifth POWERLONG-ING campaign

July

- Contracted for Tongxiang Zhenshi 1989 (桐鄉振石 1989), a Powerlong Xinghui project

December

- Successful opening of Nanjing Jiangning Powerlong Plaza (南京江寧寶龍廣場)
- Successful opening of Yuyao Powerlong Plaza (余姚寶龍廣場)
- Successful opening of Ningbo Wenchuanggang Powerlong Land (寧波文創港寶龍天地)
- Successful opening of Huai'an Xiangyu Powerlong Land (淮安翔宇寶龍天地), a Powerlong Xinghui project
- Successful opening of Binjiang Zhongnan Lingyunli (濱江中南凌雲里), a Powerlong Xinghui project



1
2025 Brand Influential Enterprises (2025 年品牌影响力企业) – Leju Financial (乐居财经)

3
Leading Enterprise Award in Commercial of the Year (年度商业领军企业) – Winshang.com (赢商网)

2
List of Excellence in New Quality Operational Commercial Management Companies of the Year 2025 (2025 年度新质运营商管公司卓越榜) – mallchina.org (中购联)

4
2025 Top 100 Retail Commercial Real Estate Enterprises by Comprehensive Strength (2025 年度零售商业地产企业综合实力 TOP100) – Winshang.com (赢商网)

Chairman's Statement

—HOI WA FONG
Chairman



Dear Shareholders,

Greetings!

2025 was the sixth year since the listing of Powerlong CM. On behalf of the board (the **"Board"**) of directors of the Company (the **"Directors"**), I would like to express my sincerest gratitude to the shareholders for their support and companionship along the way!

Over these six years, the commercial real estate industry has undergone profound iterative transformation, moving from an extensive development model of scale expansion into a new stage of high-quality development focused on inventory revitalisation and value reconstruction. The number of newly opened commercial projects nationwide has remained low, competition in the existing market has intensified, and the upgrading of consumer demand has placed higher requirements on offline commercial operations, demanding greater refinement, diversification and personalisation. Our Group has always adhered to our corporate mission of "creating space full of love". Relying on forward-looking strategic planning, excellent fine-tuned operational capabilities and flexible market response strategies, we have broken through challenges and grown amid change. Over the past six years, we have deepened our presence in the core Yangtze River Delta region, built four differentiated product lines – "Powerlong One Mall (寶龍一城), Powerlong City (寶龍城), Powerlong Plaza (寶龍廣場) and Powerlong Land (寶龍天地)" – achieved stable performance delivery and continuously enhanced brand influence, creating a number of city-level commercial benchmarks deeply loved by consumers, and injecting lasting impetus into the prosperity of urban commerce through our professionalism and dedication.

In 2025, against the backdrop of intensifying competition in the existing market, our Group held to the bottom line of prudent operations, actively adapted to market changes, and steadily improved the quality of various businesses. For the year, our revenue amounted to approximately RMB2.607 billion, of which revenue from commercial operational services amounted to approximately RMB2.099 billion, accounting for 80.5% of total revenue. Revenue from residential property management services was approximately RMB508 million, accounting for 19.5% of total revenue. Commercial operational services business continued to serve as the Group's core growth engine. Through fine-tuned operations and cost control, operational quality continued to improve, achieving a year-on-year increase of 8.1% in net profit attributable to the Company, reaching approximately RMB234 million.

The Group continued to consolidate its industry advantages, deepened its presence in core regions and optimised its layout structure, further strengthening its scale effect and leading position in the region. In 2025, the Group had 6 new commercial projects in operation and new GFA in operation of approximately 381,000 sq.m.. So far, the commercial GFA in operation reached approximately 11.1 million sq.m., and the contracted commercial GFA reached approximately 13.7 million sq.m.. Among them, its deepened presence in the core Yangtze River Delta region continued, with 88 projects located there, accounting for 73% of the total contracted projects. The results of this regional deepening have been remarkable, further consolidating the Company's leading position in the commercial operations field in the Yangtze River Delta.

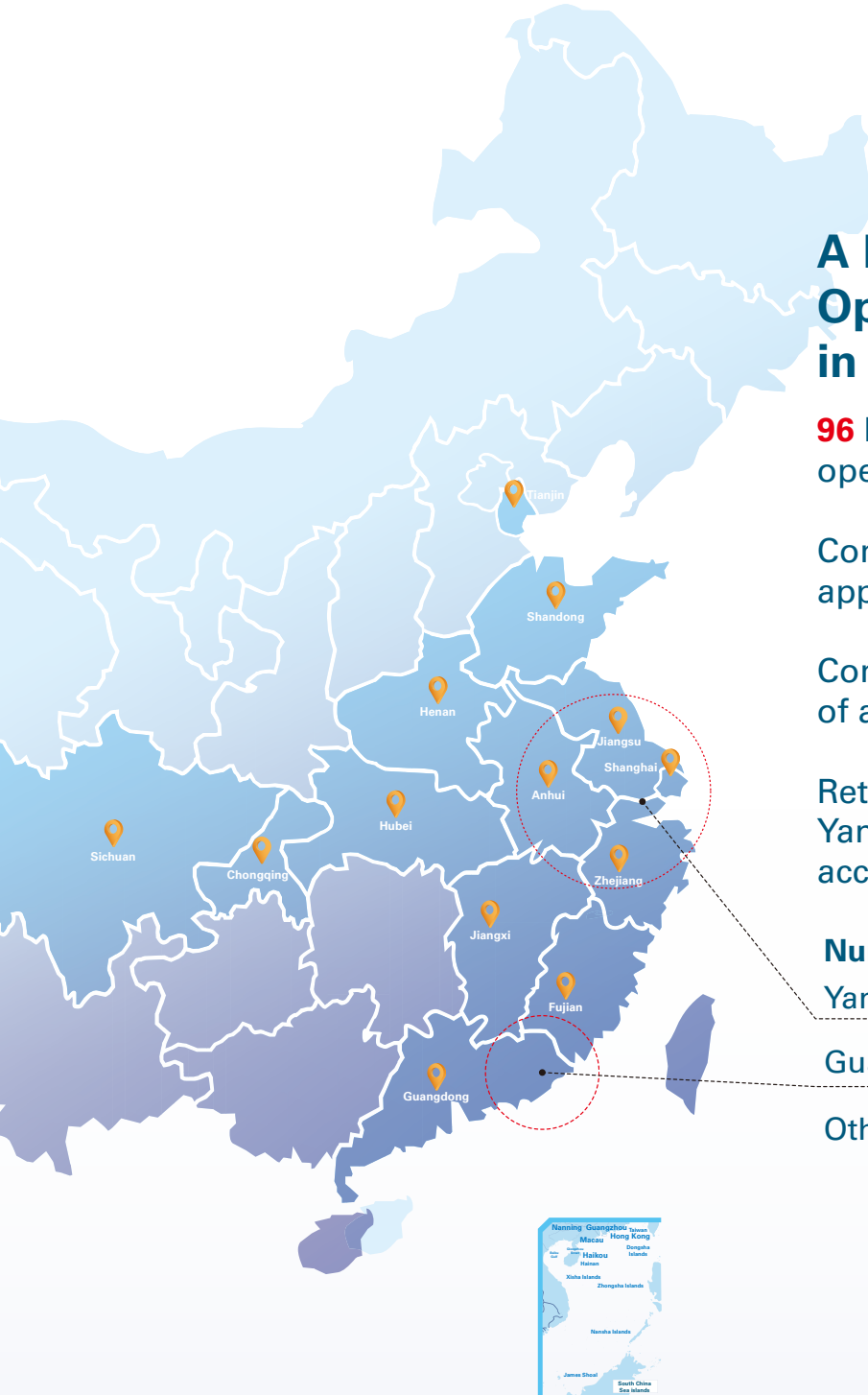
In 2025, the Company formulated a new five-year development plan for 2026-2030, setting five-year goals. Focusing on "good cities, good projects and good teams", the Group will deepen its presence in the core regions of Jiangsu, Zhejiang, Shanghai, and Fujian. Centered on operational excellence as its core and driven by a business system with "content ecosystem + smart technology" as its two wings, a profound transformation from "space operation" to "value creation" shall be achieved through five key strategic initiatives of "space creation, smart operations, customer delight, growth, and talent".

In 2026, we will paint a new chapter in commerce with our commitment and cultivate the industry's fertile ground with our craftsmanship. As the first year of the new five-year strategy, the Group, carrying a sincere passion for commercial operations and persisting with deep, meticulous efforts, will move forward steadily amid the wave of competition in the existing market, living up to your trust and expectations!

Overview of Business

RETAIL COMMERCIAL PROPERTY PROJECTS

Number of projects under contract as at 31 December 2025: **121**



A Leading Commercial Operational Service Provider in China

96 Retail Commercial Properties in operation

Commercial Aggregate GFA contracted of approximately **13.67 million** sq.m.

Commercial Aggregate GFA in operation of approximately **11.09 million** sq.m.

Retail Commercial Property Projects at Yangtze River Delta accounting for **73%**

Number of Projects

Yangtze River Delta: **88**

Guangdong + Fujian: **11**

Others: **22**

OVERVIEW

The Group mainly conducts its business activities in two business segments namely (i) commercial operational services; and (ii) residential property management services. During the year ended 31 December 2025, the Group's revenue was mainly derived from its commercial operational services.

COMMERCIAL OPERATIONAL SERVICES

As at 31 December 2025, the Group had 96 retail commercial properties in operation, with an aggregate GFA in operation of approximately 11.1 million sq.m.. The Group had 121 retail commercial properties with an aggregate contracted GFA of approximately 13.7 million sq.m. for which the Group had been contracted to provide commercial operational services. The Company enjoys strong brand recognition in its operating markets. The Company was awarded various honors in 2025, such as Leading Enterprise Award in Commercial of the Year (年度商業領軍企業) and 2025 Top 100 Retail Commercial Real Estate Enterprises by Comprehensive Strength (2025年度零售商業地產企業綜合實力TOP100) awarded by Winshang.com (贏商網), 2025 Brand Influential Enterprises (2025年品牌影響力企業) awarded by Leju Financial (樂居財經), and List of Excellence in New Quality Operational Commercial Management Companies of the Year 2025 (2025年度新質運營商管公司卓越榜) awarded by mallchina.org (中購聯).

RESIDENTIAL PROPERTY MANAGEMENT SERVICES

As at 31 December 2025, the Group provided residential property management services for 129 delivered projects with an aggregate GFA delivered of approximately 24.1 million sq.m., and was contracted to manage a further 137 projects with an aggregate contracted GFA of approximately 30.1 million sq.m..

With the corporate mission of “creating space full of love”, the Group adheres to its corporate philosophy of “simple, truthful, prosper together, forward forever”, with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.



Management Discussion and Analysis



BUSINESS REVIEW

For the year ended 31 December 2025, the Group mainly conducted its business activities in the following business segments, namely (i) commercial operational services; and (ii) residential property management services. The Group's revenue was mainly derived from its commercial operational services.

Commercial operational services: The Group provided full-chain services covering positioning, tenant sourcing, opening, operation and management to shopping malls and shopping streets.

It primarily included:

- (i) Market research and positioning, tenant sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of a retail commercial property;
- (ii) Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property; and
- (iii) Property leasing services with respect to units located within the shopping streets and shopping malls.

The management models of the retail commercial properties undertaken by the Group include the following four models:

1. Entrusted operation and management

The owner entrusts the operation and management of the retail commercial properties to the Group, and the operating costs of the projects are borne by the Group. The owners receive rents for shops and some income from diversified operations and parking lot operations.

The Group charges the owner: (i) advisory consultation fees before the projects are in operation; (ii) rent management fees during the operation stage of the projects i.e. a certain percentage of the rent; and (iii) brand usage fees (only for projects not developed by Powerlong Real Estate Holdings Limited (“**Powerlong Real Estate**” or “**Powerlong Holdings**”)).

The Group charges the tenants and consumers: (i) operation and management service fees during project operation; (ii) income from diversified operations; and (iii) parking fees.

2. Advisory consultation

The owner engages the Group as a management advisory consultant for retail commercial properties, and all income and costs of project operation are borne by the owner.

The Group charges the owner: (i) advisory consultation fees before the projects are in operation; and (ii) a certain percentage of consulting service fees during the project operation period.

3. Sub-lease services

The owner leases the retail commercial properties as a whole to the Group at a certain price, and all income and costs of project operation are borne by the Group.

The Group charges tenants and consumers: (i) rental income of projects; (ii) operation and management service fees during project operation; (iii) income from diversified operations; and (iv) parking fees.

4. Net earning sharing

The owner entrusts the retail commercial properties to the Group for operation and management, and all income and costs of project operation are borne by the Group. The Group gives a certain percentage of net income of the projects to the owner as variable rental cost.

The Group charges tenants and consumers: (i) rental income of projects; (ii) operation and management service fees during project operation; (iii) income from diversified operations; and (iv) parking fees.

Residential property management services: The Group provided property management services for residential properties, office buildings and serviced apartments.

It primarily included:

- (i) Pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance of pre-sale display units and sales offices;
- (ii) Property management services to property owners or property owners’ associations at the post-delivery stages, such as security, cleaning, gardening and repair and maintenance services; and
- (iii) Other value-added services to property owners, tenants or residents of properties under management, such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services.

Management Discussion and Analysis

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

	For the year ended 31 December			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial operational services	702,427	33.5	728,721	34.1
Residential property management services	111,269	21.9	105,231	22.1
Total	813,696	31.2	833,952	31.9

COMMERCIAL OPERATIONAL SERVICES

The Group primarily provided professional commercial operational management services to property owners, tenants and consumers under four brands, namely, "Powerlong One Mall" (寶龍一城), "Powerlong City" (寶龍城), "Powerlong Plaza" (寶龍廣場) and "Powerlong Land" (寶龍天地).

For the year ended 31 December 2025, the aggregate revenue of the Group's business segment of commercial operational services amounted to approximately RMB2,099.1 million, representing a decrease of 1.9% from approximately RMB2,140.1 million for the year ended 31 December 2024; and the Group had GFA in operation remaining at approximately 11.1 million sq.m., remaining flat as compared with the corresponding period of 2024; 96 projects in operation, representing a decrease of 2 projects from 98 projects for the corresponding period of 2024; contracted GFA of approximately 13.7 million sq.m., representing a decrease of 0.8 million sq.m. from 14.5 million sq.m. for the corresponding period of 2024.

The table below sets forth a breakdown of the aggregate GFA in operation as at the dates indicated and the revenue from commercial operational services segment for the years indicated by geographic region:

	As of/For the year ended 31 December					
	2025			2024		
	Contracted GFA	GFA in operation	Revenue	Contracted GFA	GFA in operation	Revenue
	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>
	<i>(in thousands)</i>					
Yangtze River Delta ⁽¹⁾	9,224	7,413	1,502,421	9,668	7,249	1,567,162
Others ⁽²⁾	4,444	3,681	596,712	4,847	3,818	572,976
Total	13,668	11,094	2,099,133	14,515	11,067	2,140,138

Notes:

(1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.

(2) Comprises cities except those mentioned in (1) above.

New Projects in Operation

New retail commercial property projects added to the Group's portfolio upon opening for the year ended 31 December 2025 are shown in the following table:

No.	Name of Project	Opening Date	City	Geographic Region	Source of Project	Manager	Management Model	Total GFA	Shopping Mall	Commercial Street	Car Park
		<i>month-year</i>						<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>
Powerlong Plaza											
1	Wuyishan Powerlong Plaza (武夷山寶龍廣場)	May 2025	Nanjing	Others	Powerlong Real Estate	Powerlong CM	Entrusted management	67,633	40,007	9,117	18,509
2	Nanjing Jiangning Powerlong Plaza (南京江寧寶龍廣場)	December 2025	Nanjing	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	146,788	70,059	12,274	64,455
3	Yuyao Powerlong Plaza (余姚寶龍廣場)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	65,915	46,000	4,500	15,415
Sub-total								280,336	156,066	25,891	98,379
Powerlong Land											
1	Ningbo Wenchuanggang Powerlong Land (寧波文創港寶龍天地)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	44,900	-	44,900	-
Sub-total								44,900	-	44,900	-
Powerlong Xinghui											
1	Huai'an Xiangyu Powerlong Land (淮安翔宇寶龍天地)	December 2025	Huai'an	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	35,606	-	35,606	-
2	Binjiang Zhongnan Lingyunli (濱江中南凌雲里)	December 2025	Hangzhou	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	20,127	-	20,127	-
Sub-total								55,733	-	55,733	-
Total								380,969	156,066	126,524	98,379

Management Discussion and Analysis

Projects for which Contracts were Terminated

The Group's retail commercial property projects for which contracts were terminated during the year ended 31 December 2025 are shown in the following table:

No.	Name of Project	Date of Termination of Contract <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
Powerlong Plaza										
1	Wuhan Qiaokou Powerlong Plaza (武漢橋口寶龍廣場)	June 2025	Wuhan	Others	Powerlong Real Estate	Entrusted management	135,300	80,000	–	55,300
2	Changshu Powerlong Plaza (常熟寶龍廣場)	August 2025	Suzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	100,300	53,500	9,800	37,000
3	Yongtai Powerlong Plaza (永泰寶龍廣場)	August 2025	Fuzhou	Others	Powerlong Real Estate	Entrusted management	62,000	51,500	2,000	8,500
4	Chongqing Fuling Powerlong Plaza (重慶涪陵寶龍廣場)	October 2025	Chongqing	Others	Third Party	Entrusted management	113,854	96,204	–	17,650
5	Yiwu Fotang Powerlong Plaza (義烏佛堂寶龍廣場)	October 2025	Yiwu	Yangtze River Delta	Third Party	Entrusted management	90,992	50,000	15,992	25,000
Sub-total							502,446	331,204	27,792	143,450
Powerlong Land										
1	Xiamen Jiangjunci (廈門將軍祠)	October 2025	Xiamen	Others	Third Party	Sublease	6,470	–	6,470	–
2	Xiamen Tangbian Powerlong Land (廈門塘邊寶龍天地)	October 2025	Xiamen	Others	Third Party	Sublease	28,475	–	28,475	–
3	Xiamen Yuanboyuan Powerlong Land (廈門園博苑寶龍天地)	October 2025	Xiamen	Others	Third Party	Sublease	14,705	–	14,705	–
4	Xiamen Wenzao Powerlong Land (廈門文灶寶龍天地)	October 2025	Xiamen	Others	Third Party	Sublease	41,658	–	41,658	–
Sub-total							91,308	–	91,308	–
Powerlong Xinghui										
1	Tiantai Cultural Center Powerlong Land (天台文化中心寶龍天地)	June 2025	Taizhou	Yangtze River Delta	Third Party	Entrusted management	18,227	–	18,227	–
2	Shaoxing Guchengbei (紹興古城北)	June 2025	Shaoxing	Yangtze River Delta	Third Party	Advisory consultation	61,549	–	61,549	–
3	Huzhou Xinyuan Powerlong Plaza (湖州鑫遠寶龍廣場)	June 2025	Huzhou	Yangtze River Delta	Third Party	Net earning sharing	80,000	60,000	–	20,000
4	Tongxiang Powerlong Plaza (桐鄉寶龍廣場)	November 2025	Jiaxing	Yangtze River Delta	Third Party	Net earning sharing	144,600	144,600	–	–
Sub-total							304,376	204,600	79,776	20,000
Total							898,130	535,804	198,876	163,450

Projects in Operation

The Group's retail commercial property projects in operation as of 31 December 2025 are shown in the following table:

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
Powerlong One Mall										
1	Xiamen Powerlong One Mall (廈門寶龍一城)	September 2018	Xiamen	Others	Powerlong Real Estate	Entrusted management	170,585	121,670	5,365	43,550
Sub-total							170,585	121,670	5,365	43,550
Powerlong City										
1	Shanghai Qibao Powerlong City (上海七寶寶龍城)	October 2016	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,567	70,719	12,759	67,089
2	Hangzhou Binjiang Powerlong City (杭州濱江寶龍城)	December 2016	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	295,562	140,877	37,512	117,173
3	Taizhou Jiaojiang Powerlong City (台州椒江寶龍城)	June 2022	Taizhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	149,517	94,100	20,900	34,517
Sub-total							595,646	305,696	71,171	218,779
Powerlong Plaza										
1	Fuzhou Powerlong Plaza (福州寶龍廣場)	April 2007	Fuzhou	Others	Powerlong Real Estate	Entrusted management	186,178	161,008	–	25,170
2	Qingdao Chengyang Powerlong Plaza (青島城陽寶龍廣場)	October 2009	Qingdao	Others	Powerlong Real Estate	Entrusted management	443,262	335,506	–	107,756
3	Zhengzhou Powerlong Plaza (鄭州寶龍廣場)	December 2009	Zhengzhou	Others	Powerlong Real Estate	Entrusted management	235,606	198,108	6,565	30,933
4	Bengbu Powerlong Plaza (蚌埠寶龍廣場)	December 2009	Bengbu	Yangtze River Delta	Powerlong Real Estate	Entrusted management	346,880	222,966	48,503	75,411
5	Wuxi Powerlong Plaza (無錫寶龍廣場)	October 2010	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	192,865	142,753	–	50,112
6	Anxi Powerlong Plaza (安溪寶龍廣場)	December 2010	Quanzhou	Others	Powerlong Real Estate	Entrusted management	85,374	55,489	28,034	1,851
7	Suzhou Powerlong Plaza (宿遷寶龍廣場)	September 2011	Suzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,660	120,645	–	30,015
8	Yancheng Powerlong Plaza (鹽城寶龍廣場)	September 2011	Yancheng	Yangtze River Delta	Powerlong Real Estate	Entrusted management	199,409	135,112	29,720	34,577
9	Qingdao Jimo Powerlong Plaza (青島即墨寶龍廣場)	December 2011	Qingdao	Others	Powerlong Real Estate	Entrusted management	175,513	130,462	–	45,051
10	Luoyang Powerlong Plaza (洛陽寶龍廣場)	December 2011	Luoyang	Others	Powerlong Real Estate	Entrusted management	138,350	69,735	37,225	31,390
11	Tai'an Powerlong Plaza (泰安寶龍廣場)	September 2012	Tai'an	Others	Powerlong Real Estate	Entrusted management	118,255	102,677	–	15,578
12	Xinxiang Powerlong Plaza (新鄉寶龍廣場)	September 2012	Xinxiang	Others	Powerlong Real Estate	Entrusted management	262,690	90,321	84,394	87,975
13	Shanghai Caolu Powerlong Plaza (上海曹路寶龍廣場)	December 2013	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	81,720	57,200	–	24,520
14	Jinjiang Powerlong Plaza (晉江寶龍廣場)	December 2013	Jinjiang	Others	Powerlong Real Estate	Entrusted management	283,378	128,570	11,126	143,682
15	Hangzhou Xiaasha Powerlong Plaza (杭州下沙寶龍廣場)	November 2014	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	98,660	15,575	10,323	72,762
16	Chongqing Hechuan Powerlong Plaza (重慶合川寶龍廣場)	December 2014	Chongqing	Others	Powerlong Real Estate	Entrusted management	147,403	103,793	–	43,610

Management Discussion and Analysis

No.	Name of Project	Opening Date	City	Geographic Region	Source of Project	Management Model	Total GFA	Shopping Mall	Commercial Street	Car Park
		<i>month-year</i>					<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>
17	Tianjin Yujiapu Powerlong Plaza (天津于家堡寶龍廣場 ⁽¹⁾)	December 2014	Tianjin	Others	Powerlong Real Estate	Entrusted management	162,836	87,613	–	75,223
18	Jiaozhou Powerlong Plaza (膠州寶龍廣場)	February 2015	Qingdao	Others	Powerlong Real Estate	Entrusted management	164,772	75,224	27,002	62,546
19	Zhenjiang Powerlong Plaza (鎮江寶龍廣場)	September 2015	Zhenjiang	Yangtze River Delta	Powerlong Real Estate	Entrusted management	153,818	70,170	32,797	50,851
20	Shanghai Fengxian Powerlong Plaza (上海奉賢寶龍廣場)	November 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	117,715	49,816	14,846	53,053
21	Shanghai Lingang Powerlong Plaza (上海臨港寶龍廣場)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	70,720	40,069	9,932	20,719
22	Hangzhou Xiaoshan Powerlong Plaza (杭州蕭山寶龍廣場)	December 2015	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,836	68,687	12,217	62,932
23	Shanghai Luodian Powerlong Plaza (上海羅店寶龍廣場)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	35,854	28,481	–	7,373
24	Hangzhou Fuyang Powerlong Plaza (杭州富陽寶龍廣場)	December 2015	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	77,186	21,728	10,741	44,717
25	Changzhou Powerlong Plaza (常州寶龍廣場)	June 2016	Changzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	202,917	105,598	48,597	48,722
26	Shanghai Jiading Powerlong Plaza (上海嘉定寶龍廣場)	October 2016	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	144,072	64,054	24,903	55,115
27	Penglai Powerlong Plaza (蓬萊寶龍廣場)	November 2016	Yantai	Others	Powerlong Real Estate	Entrusted management	148,213	43,431	59,871	44,911
28	Yantai Powerlong Plaza (煙臺寶龍廣場)	December 2016	Yantai	Others	Powerlong Real Estate	Entrusted management	100,027	37,868	20,629	41,530
29	Yangzhou Powerlong Plaza (揚州寶龍廣場)	January 2017	Yangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,559	58,407	30,252	54,900
30	Shanghai Wujing Powerlong Plaza (上海吳淞寶龍廣場)	July 2017	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	49,918	26,794	11,337	11,787
31	Fuyang Powerlong Plaza (阜陽寶龍廣場)	December 2017	Fuyang	Yangtze River Delta	Powerlong Real Estate	Entrusted management	140,441	103,890	–	36,551
32	Shanghai Qingpu Powerlong Plaza (上海青浦寶龍廣場)	September 2018	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	171,673	54,281	38,462	78,930
33	Hangzhou Lin'an Powerlong Plaza (杭州臨安寶龍廣場)	November 2019	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	103,700	55,700	–	48,000
34	Tianjin Binhai Powerlong Plaza (天津濱海寶龍廣場)	December 2019	Tianjin	Others	Powerlong Real Estate	Entrusted management	61,883	36,400	6,100	19,383
35	Shanghai Baoyang Powerlong Plaza (上海寶楊寶龍廣場)	December 2019	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	148,407	77,873	15,155	55,379
36	Nanjing Gaochun Powerlong Plaza (南京高淳寶龍廣場)	December 2019	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	87,542	56,200	17,000	14,342
37	Ningbo Yinzhou Powerlong Plaza (寧波鄞州寶龍廣場)	December 2019	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	93,924	63,596	–	30,328
38	Hangzhou Qingshan Lake Powerlong Plaza (Phase 1) (杭州青山湖寶龍廣場(一期))	October 2020	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	189,524	98,000	–	91,524
39	Yongkang Powerlong Plaza (永康寶龍廣場)	November 2020	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	89,900	62,900	–	27,000
40	Hangzhou Dajiangdong Powerlong Plaza (杭州大江東寶龍廣場)	November 2020	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	95,373	62,373	–	33,000
41	Shaoying Keqiao Powerlong Plaza (紹興柯橋寶龍廣場)	November 2020	Shaoying	Yangtze River Delta	Third Party	Sublease	99,787	54,787	–	45,000
42	Suzhou Xingyun Powerlong Plaza (蘇州星韻寶龍廣場)	December 2020	Suzhou	Yangtze River Delta	Third Party	Sublease	40,774	40,774	–	–

⁽¹⁾ Tianjin Yujiapu Powerlong Plaza reopened in December 2020.

No.	Name of Project	Opening Date	City	Geographic Region	Source of Project	Management Model	Total GFA	Shopping Mall	Commercial Street	Car Park
		<i>month-year</i>					<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>
43	Yancheng Chengdong Powerlong Plaza (鹽城東寶龍廣場)	December 2020	Yancheng	Yangtze River Delta	Powerlong Real Estate	Entrusted management	135,932	76,927	-	59,005
44	Wenling Powerlong Plaza (溫嶺寶龍廣場)	June 2021	Taizhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	108,065	82,338	-	25,727
45	Zhuji Powerlong Plaza (諸暨寶龍廣場)	June 2021	Shaoxing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	138,600	61,700	35,300	41,600
46	Zhoushan Powerlong Plaza (舟山寶龍廣場)	June 2021	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	107,720	69,880	26,840	11,000
47	Ningbo Gaoxin Powerlong Plaza (寧波高新寶龍廣場)	October 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,588	45,200	-	98,388
48	Ningbo Fenghua Powerlong Plaza (寧波奉化寶龍廣場)	October 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	71,300	34,700	-	36,600
49	Yiwu Qingkou Powerlong Plaza (義烏青口寶龍廣場)	November 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	74,087	52,062	-	22,025
50	Zhuhai Gaoxin Powerlong Plaza (珠海高新寶龍廣場)	November 2021	Zhuhai	Others	Powerlong Real Estate	Entrusted management	115,513	85,000	4,923	25,590
51	Yixing Powerlong Plaza (宜興寶龍廣場)	November 2021	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	57,000	40,000	-	17,000
52	Yancheng Jianhu Powerlong Plaza (鹽城建湖寶龍廣場)	December 2021	Yancheng	Yangtze River Delta	Third Party	Entrusted management	96,182	62,045	-	34,137
53	Lanxi Powerlong Plaza (蘭溪寶龍廣場)	December 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	139,361	90,000	15,461	33,900
54	Hangzhou Jinnan Powerlong Plaza (杭州錦南寶龍廣場)	December 2021	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	45,772	38,900	4,660	2,212
55	Hangzhou Tech City Powerlong Plaza (杭州科技城寶龍廣場)	September 2022	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	95,800	82,000	-	13,800
56	Xiamen Tong'an Powerlong Plaza (廈門同安寶龍廣場)	December 2022	Xiamen	Others	Powerlong Real Estate	Entrusted management	113,089	88,000	-	25,089
57	Jinhua Jinyi Powerlong Plaza (金華金義寶龍廣場)	September 2023	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	122,926	90,355	-	32,571
58	Xuzhou Hexin Powerlong Plaza (徐州和信寶龍廣場)	September 2023	Xuzhou	Yangtze River Delta	Third Party	Net earning sharing	197,251	80,931	-	116,320
59	Jingdezhen Powerlong Plaza (景德鎮寶龍廣場)	October 2023	Jingdezhen	Others	Powerlong Real Estate	Entrusted management	129,209	80,000	19,209	30,000
60	Pizhou Powerlong Plaza (邳州寶龍廣場)	December 2023	Xuzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	129,514	90,000	-	39,514
61	Taizhou Duojiao Powerlong Plaza (台州杜橋寶龍廣場)	January 2024	Taizhou	Yangtze River Delta	Third Party	Sublease	67,990	50,215	-	17,775
62	Hangzhou Gongshu Powerlong Plaza (杭州拱墅寶龍廣場)	May 2024	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	98,264	64,749	-	33,515
63	Shanghai Fengfa Powerlong Plaza (上海奉發寶龍廣場)	December 2024	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	83,550	56,300	8,340	18,910
64	Jiyuan Powerlong Plaza (濟源寶龍廣場)	December 2024	Jiyuan	Others	Third Party	Net earning sharing	94,255	94,255	-	-
65	Shengzhou Powerlong Plaza (嵊州寶龍廣場)	December 2024	Shengzhou	Yangtze River Delta	Third Party	Net earning sharing	159,338	80,240	29,129	49,969
66	Wuyishan Powerlong Plaza (武夷山寶龍廣場)	May 2025	Nanping	Others	Powerlong Real Estate	Entrusted management	67,633	40,007	9,117	18,509
67	Nanjing Jiangning Powerlong Plaza (南京江寧寶龍廣場)	December 2025	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	146,788	70,059	12,274	64,455
68	Yuyao Powerlong Plaza (余姚寶龍廣場)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	65,915	46,000	4,500	15,415
Sub-total							8,989,216	5,366,497	805,484	2,817,235

Management Discussion and Analysis

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
Powerlong Land										
1	Taicang Powerlong Land (太倉寶龍天地)	March 2007	Suzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	25,476	-	25,476	-
2	Hangzhou Xiasha Powerlong Land (杭州下沙寶龍天地)	November 2014	Hangzhou	Yangtze River Delta	Third Party	Sublease	39,039	-	28,839	10,200
3	Shanghai Huaxin Powerlong Land (上海華新寶龍天地)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	51,113	-	24,447	26,666
4	Dongying Powerlong Land (東營寶龍天地)	September 2016	Dongying	Others	Powerlong Real Estate	Entrusted management	79,514	-	51,649	27,865
5	Haiyang Powerlong Land (海陽寶龍天地)	June 2017	Yantai	Others	Powerlong Real Estate	Entrusted management	39,108	-	37,470	1,638
6	Huai'an Powerlong Land (淮安寶龍天地)	July 2017	Huai'an	Yangtze River Delta	Powerlong Real Estate	Entrusted management	93,384	-	82,827	10,557
7	Jinhua Pan'an Powerlong Land (金華磐安寶龍天地)	September 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Advisory consultation	33,649	-	31,479	2,170
8	Zhoushan Dinghai Powerlong Land (舟山定海寶龍天地)	November 2021	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	28,100	-	16,100	12,000
9	Zhoushan Putuo Powerlong Land (舟山普陀寶龍天地)	June 2023	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	92,100	-	40,800	51,300
10	Shanghai Jiading Powerlong Land (上海嘉定寶龍天地)	September 2024	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	21,600	-	21,600	-
11	Xiangshan Powerlong Land (象山寶龍天地)	September 2024	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	11,118	-	11,118	-
12	Ningbo Wenchuangang Powerlong Land (寧波文創港寶龍天地)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	44,900	-	44,900	-
Sub-total							559,101	-	416,705	142,396

No.	Name of Project	Opening Date	City	Geographic Region	Source of Project	Management Model	Total GFA	Shopping Mall	Commercial Street	Car Park
		<i>month-year</i>					<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>
Powerlong Xinghui										
1	Jiashan Xingyuecheng (嘉善星悅城)	October 2014	Jiaxing	Yangtze River Delta	Third Party	Sublease	35,000	35,000	-	-
2	Xingyue • Xicheng Plaza (星悅•西城廣場)	October 2017	Taizhou	Yangtze River Delta	Third Party	Sublease	38,100	33,000	-	5,100
3	Anji • Henglong Dadao (安吉•恒隆大道)	September 2018	Huzhou	Yangtze River Delta	Third Party	Advisory consultation	54,873	-	39,873	15,000
4	Ningbo Laowaitan (寧波老外灘)	June 2021	Ningbo	Yangtze River Delta	Third Party	Advisory consultation	114,000	-	114,000	-
5	Hangzhou Fuyang Dongfangmao Commercial (杭州富陽東方茂商業)	June 2022	Hangzhou	Yangtze River Delta	Third Party	Entrusted management	119,890	78,853	-	41,037
6	Haiyan Beidajie (海鹽北大街)	June 2023	Jiaxing	Yangtze River Delta	Third Party	Entrusted management	55,570	-	35,630	19,940
7	Yueqing Powerlong Plaza (樂清寶龍廣場)	January 2024	Yueqing	Yangtze River Delta	Third Party	Entrusted management	56,000	41,000	-	15,000
8	Yueqing Central Park (樂清中金匯)	June 2024	Yueqing	Yangtze River Delta	Third Party	Advisory consultation	62,000	-	42,000	20,000
9	Shangrao Shuinanjie (上饒水南街)	December 2024	Shangrao	Others	Third Party	Advisory consultation	158,000	-	158,000	-
10	Dongyang Powerlong Plaza (東陽寶龍廣場)	December 2024	Jinhua	Yangtze River Delta	Third Party	Advisory consultation	30,009	-	20,080	9,929
11	Huai'an Xiangyu Powerlong Land (淮安翔宇寶龍天地)	December 2025	Huai'an	Yangtze River Delta	Third Party	Advisory consultation	35,606	-	35,606	-
12	Binjiang Zhongnan Lingyunli (濱江中南凌雲里)	December 2025	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	20,127	-	20,127	-
Sub-total							779,175	187,853	465,316	126,006
Total							11,093,723	5,981,716	1,764,041	3,347,966

Management Discussion and Analysis

The table below sets forth average occupancy rate and GFA in operation of retail commercial properties as at 31 December 2025 by brands.

Product category	Average occupancy rate ⁽¹⁾		GFA in operation (000' sq.m.)
	As of 31 December		
	2025	2024	
	%	%	
Powerlong One Mall (寶龍一城)	99.1	99.1	171
Powerlong City (寶龍城)	97.6	97.8	596
Powerlong Plaza (寶龍廣場)	91.0	90.9	8,989
Powerlong Land (寶龍天地)	90.2	90.7	559
Powerlong Xinghui (寶龍星匯)	92.0	93.0	779
Total	91.5	91.5	11,094

(1) Occupancy rate is calculated as actual leased area divided by available lease area of a retail commercial property as of the end of each relevant period based on internal record. The occupancy rate only applies to retail commercial properties for which the Group has provided tenant sourcing services and may be higher or lower in different periods within one year.

Newly Contracted Projects

The Group's retail property projects newly contracted for during the year ended 31 December 2025 are shown in the following table:

No.	Name of Project	City	Geographic Region	Manager	Management Model	Expected GFA (sq.m.)
1	Binjiang Zhongnan Lingyunli (濱江中南凌雲里)	Hangzhou	Yangtze River Delta	Powerlong Xinghui	Advisory consultation	20,127
2	Tongxiang Zhenshi 1989 (桐鄉振石1989)	Jiaxing	Yangtze River Delta	Powerlong Xinghui	Net earning sharing	31,171
Total						51,298

Pipeline Projects

Retail commercial property projects planning for opening in 2026 are as follows:

No.	Name of Project	Opening Date ⁽¹⁾ <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Expected GFA <i>(sq.m.)</i>
Powerlong Plaza							
1	Cangnan Powerlong Plaza (蒼南寶龍廣場)	September 2026	Wenzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	100,000
2	Taicang Xiangtang Powerlong Plaza (太倉香塘寶龍廣場)	September 2026	Taicang	Yangtze River Delta	Third Party	Net earning sharing	70,000
3	Zuhai Jinwan Powerlong Plaza (珠海金灣寶龍廣場)	December 2026	Zuhai	Others	Powerlong Real Estate	Entrusted management	70,000
4	Ningbo Jiangbei Powerlong Plaza (寧波江北寶龍廣場)	December 2026	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	109,716
Sub-total							349,716
Powerlong Xinghui							
1	Linping Powerlong Plaza (臨平寶龍廣場)	May 2026	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	80,000
2	Tongxiang Zhenshi 1989 (桐鄉振石1989)	August 2026	Jiaxing	Yangtze River Delta	Third Party	Net earning sharing	31,171
Sub-total							111,171
Total							460,887

⁽¹⁾ Opening dates of all the projects are estimated dates. Actual opening dates are subject to project progress.

Management Discussion and Analysis

Retail commercial property projects planning for opening after 2026 are as follows:

No.	Name of Project	City	Geographic Region	Source of Project	Management Model	Expected GFA (sq.m.)
1	Ningbo Powerlong One Mall (寧波寶龍一城)	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	190,100
2	Nanchang Powerlong One Mall (南昌寶龍一城)	Nanchang	Others	Powerlong Real Estate	Entrusted management	142,145
3	Yangzhou Guangling Powerlong City (揚州廣陵寶龍城)	Yangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	89,700
4	Nanjing Xuanwu Powerlong City (南京玄武寶龍城)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	127,591
5	Nanjing Jiangbei Powerlong City (南京江北寶龍城)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	121,500
6	Wuhan Xinzhou Powerlong Plaza (武漢新洲寶龍廣場)	Wuhan	Others	Powerlong Real Estate	Entrusted management	142,655
7	Nanjing Liuhe Powerlong Plaza (南京六合寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	141,939
8	Zhuhai Beizhan Powerlong Plaza (珠海北站寶龍廣場)	Zhuhai	Others	Powerlong Real Estate	Entrusted management	80,000
9	Nanjing Jingkai Powerlong Plaza (南京經開寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	104,000
10	Nanjing Qixia Powerlong Plaza (南京栖霞寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,000
11	Chuzhou Powerlong Plaza (滁州寶龍廣場)	Chuzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	70,000
12	Dongying Powerlong Plaza (東營寶龍廣場)	Dongying	Others	Powerlong Real Estate	Entrusted management	133,720
13	Zhongshan Powerlong Plaza (中山寶龍廣場)	Zhongshan	Others	Powerlong Real Estate	Entrusted management	100,000
14	Wuxi Xinwu Powerlong Plaza (無錫新吳寶龍廣場)	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	174,180
15	Bozhou Powerlong Plaza (亳州寶龍廣場)	Bozhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	211,730
16	Gao'an Ruitai Plaza (高安市瑞泰廣場)	Yichun	Others	Third Party	Net earning sharing	62,000
17	Fuding Powerlong Land (福鼎寶龍天地)	Fuding	Others	Powerlong Real Estate	Agency for tenant sourcing	9,411
18	Jiaozhou Powerlong Land (膠州寶龍天地)	Qingdao	Others	Powerlong Real Estate	Entrusted management	23,415
19	Lin'an IN Alley (臨安IN巷)	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	27,700
Total						2,101,786

RESIDENTIAL PROPERTY MANAGEMENT SERVICES

For the year ended 31 December 2025, the total revenue of the Group's residential property management services business segment amounted to approximately RMB508.5 million, representing an increase of 6.6% from RMB477.2 million for the year ended 31 December 2024; and the Group had GFA delivered of approximately 24.1 million sq.m., representing an increase of 0.1 million sq.m. from 24.0 million sq.m. for the corresponding period of 2024; 129 delivered projects, representing a decrease of 2 projects from 131 projects for the corresponding period of 2024; and contracted GFA of approximately 30.1 million sq.m., representing a decrease of 1.3 million sq.m. from 31.4 million sq.m. for the corresponding period of 2024.

The table below sets forth a breakdown of the aggregate GFA delivered as at the dates indicated and the Group's revenue generated from the residential property management service segment for the years indicated by geographic region:

	As of/For the year ended 31 December					
	2025			2024		
	Contracted GFA	GFA delivered	Revenue	Contracted GFA	GFA delivered	Revenue
	sq.m.	sq.m.	RMB	sq.m.	sq.m.	RMB
	<i>(in thousands)</i>					
Yangtze River Delta ⁽¹⁾	19,658	15,069	312,198	20,185	14,466	299,021
Others ⁽²⁾	10,439	9,067	196,277	11,240	9,578	178,146
Total	30,097	24,136	508,475	31,425	24,044	477,167

Notes:

(1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.

(2) Comprises cities except those mentioned in (1) above.

WORK PLAN FOR YEAR 2026

Looking back on 2025, China's economy pressed forward under pressure within a complex and volatile domestic and international environment, pursuing new growths and higher quality, achieving new accomplishments in high-quality development. The gross domestic product (GDP) for the year reached a new level of RMB140 trillion for the first time, representing a year-on-year increase of 5.0%, and the total economic volume once again reached a new high. Since 2025, driven by the synergistic implementation of policies aimed at stabilizing growth, expanding domestic demand, and stimulating consumption, the driving force of domestic demand has continued to strengthen. Consumption, primary driver of economic growth, further strengthened its fundamental role, with the contribution of consumption expenditure to economic growth eventually reaching 52%. The total retail sales of consumer goods reached RMB50.1 trillion, representing a year-on-year increase of 3.7%, indicating a steady recovery of market vitality and the continued release of domestic demand potential.

As a leading provider of commercial operational services in China, the Group will promote its efficient development under the annual strategy of "Deliver Quality Products, Refine Operations, Enhance Efficiency of Assets and Strengthen Organization". Leveraging its projects as the product foundation, the Group established sustainable competitive advantages. In 2025, the Group completed the grand opening of 3 Powerlong Plazas and 3 street-zone projects. There was an increase in both annual sales and customer traffic, with a year-on-year increase of 5% in passenger flow in the same store and a year-on-year increase of 3% in sales in the same store, demonstrating steady improvement in operational fundamentals. As at 31 December 2025, the aggregate GFA in operation of the Group's commercial operational services segment amounted to approximately 11.1 million sq.m..

Management Discussion and Analysis

Aligning with the five-year goals and focusing on “good cities, good projects and good teams”, the Group will deepen its presence in the core regions of Jiangsu, Zhejiang, Shanghai, and Fujian. Centered on operational excellence as its core and driven by a business system with “content ecosystem + smart technology” as its two wings, a profound transformation from “space operation” to “value creation” shall be achieved through five key strategic initiatives of “space creation, smart operations, customer delight, growth, and talent”. As the inaugural year of the five-year strategy, 2026 will see the Group define its core work tasks around the framework of “Five Dimensions and Ten Key Initiatives” to ensure the effective implementation and realization of the strategy.

(I) Cultivate Spaces to Build a Benchmark Matrix

By focusing on deep exploration of spatial value and concentrating superior resources, premium commercial projects such as Xiamen Powerlong One Mall, Hangzhou Binjiang Powerlong City, and Shanghai Baoyang Powerlong Plaza will be further developed into signature benchmark projects, which will establish new paradigms for regional commerce through high-quality operations and innovative services. The Group will steadily advance the optimization and renovation of commercial spaces through multi-dimensional initiatives, including precise upgrading of business formats, revitalizing the brand mix, remodeling visitor flow lines, and recreating spatial experiences, so as to fully activate underperforming spaces, continuously enhance the core competitiveness and market appeal of commercial assets, and improve both asset value and customer experience.

(II) Empower with Technology to Upgrade Operational Efficiency

Taking digital transformation as a core driver, the Group will comprehensively strengthen the foundational construction of its smart commercial systems and accelerate the implementation of AI application scenarios. Leveraging data-driven intelligent analysis and visual applications, the Group will provide solid support for precise operations, informed assessments, and efficient decision-making, thereby achieving a shift from “experience-driven” to “data-driven”. At the same time, the dual engines of technological innovation and lean management will operate in parallel – enhancing efficiency through technology, improving quality through management, and increasing profitability through operations – to comprehensively elevate operational quality and efficiency while boosting core competitiveness.

(III) Focus on Customers to Renew Service Experience

Emphasis will be placed on establishing a robust management system, comprehensively building three core management frameworks of operational quality, customer service, and marketing. Supported by refined operations, the Group will gain deep insights into consumer needs and emotional experiences. By delivering services characterized by “warmth, high quality, and the exceeding of expectations” to satisfy consumers’ emotional value and spiritual needs, customer loyalty and brand affinity will be continued to enhance, which efficiently facilitates the value transformation from “foot traffic” to “customer retention” and from “customer retention” to “incremental value”, achieving long-term monetization.

(IV) Diversified Expansion to Activate Growth Potential

Differentiated tenant sourcing strategy and precise controls will be strictly implemented, with a focus on introducing high-quality brands to foster a virtuous development cycle of full occupancy, premium presentation, and efficient returns across its projects. Asset-light expansion remains a crucial channel of the Group for sourcing future incremental projects. In addition to developing commercial asset-light ventures, the Group will seize opportunities to expand into third-party property projects and undertake more external property projects with its professional service capabilities, so as to continuously broaden revenue channels and growth paths and build a sustainable foundation for profit growth.

(V) Construct a Foundation with Talent and Strengthen Organizational Mindset

The development of the talent echelon will be accelerated and the creation of a dynamic organization characterized by “agility, openness, and resilience” will be deepened. By fully activating organizational momentum and the value of talent, robust human resources and organizational support will be provided to ensure the effective implementation of the overall strategy. At the same time, the Group will strengthen the construction of the top-ranking team through mechanisms such as high-quality competitors benchmarking, training empowerment promotion, continuous attention to conditions, and personnel adaptation adjustment, so as to develop a strong talent base for the enterprise and create a commercial space that can breathe, is warm and is capable of providing emotional value.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded a revenue of approximately RMB2,607.6 million, representing a decrease of approximately 0.4% as compared with approximately RMB2,617.3 million for the year ended 31 December 2024.

The Group's revenue indicated by business segment and type of service are as follows:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Commercial Operational Services				
Market research and positioning, business tenant sourcing and opening preparation services	54,255	2.1	70,480	2.7
Commercial operation and management services	1,844,489	70.7	1,863,203	71.2
Commercial property leasing services	200,389	7.7	206,455	7.9
	2,099,133	80.5	2,140,138	81.8
Residential Property				
Management Services				
Pre-sale management services	1,057	0.1	1,189	0.1
Property management services	409,141	15.7	378,759	14.5
Other value-added services	98,277	3.7	97,219	3.6
	508,475	19.5	477,167	18.2
Total	2,607,608	100	2,617,305	100

Management Discussion and Analysis

Market research and positioning, business tenant sourcing and opening preparation services

The Group's market research and positioning, tenant sourcing and opening preparation services primarily include (i) market research and positioning services; and (ii) business tenant sourcing and opening preparation services, provided to property developers or property owners before the opening of a retail commercial property.

For the year ended 31 December 2025, the Group's revenue from market research and positioning, business tenant sourcing and opening preparation services amounted to approximately RMB54.3 million, representing a year-on-year decrease of 23.0% and accounting for approximately 2.1% of the Group's total revenue.

The decrease in the revenue from market research and positioning, business tenant sourcing and opening preparation services was primarily due to the fact that the Group provided market research and positioning, business tenant sourcing and opening preparation services with respect to less retail commercial properties compared to the corresponding period in 2024.

Commercial operation and management services

The Group's commercial operation and management services primarily include (i) retail commercial property management services; (ii) tenant management and rent collection services; and (iii) other value-added services, provided to property owners or tenants.

For the year ended 31 December 2025, the Group's revenue from commercial operation and management services amounted to approximately RMB1,844.5 million, representing a year-on-year decrease of 1.0% and accounting for approximately 70.7% of the Group's total revenue.

The decrease in the revenue from commercial operation and management services was primarily driven by the adjustment of business structure and the reduction in revenue of certain businesses as affected by the cycle of the real estate sector.

Commercial property leasing services

The Group provides property leasing services with respect to units located within shopping streets and shopping malls. For the year ended 31 December 2025, the Group's revenue derived from property leasing services amounted to approximately RMB200.4 million, representing a year-on-year decrease of 2.9% and accounting for approximately 7.7% of total revenue.

The decrease in the revenue from commercial property leasing services was primarily attributable to the decrease in the sublease projects.

Residential Property Management Services

The Group's residential property management services primarily include (i) pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance services for pre-sale display units and sales offices; (ii) property management services such as security, cleaning, gardening and repair and maintenance services to property owners or property owners' associations at the post-delivery stages; and (iii) other value-added services such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services to property owners, tenants or residents of the Group's managed properties.

For the year ended 31 December 2025, the Group's revenue from residential property management services amounted to approximately RMB508.5 million, representing a year-on-year increase of 6.6% and accounting for approximately 19.5% of total revenue.

The increase in the revenue from residential property management services was primarily attributable to the enhancement of service quality and the increase in GFA delivered.

Revenue indicated by type of customers is as follows:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Commercial Operational Services				
Fellow subsidiaries	215,916	8.3	206,459	7.9
Other related parties	9,949	0.4	21,570	0.8
External customers	1,873,268	71.8	1,912,109	73.1
	2,099,133	80.5	2,140,138	81.8
Residential Property Management Services				
Fellow subsidiaries	6,979	0.3	24,152	0.9
Other related parties	2,026	0.1	4,612	0.2
External customers	499,470	19.1	448,403	17.1
	508,475	19.5	477,167	18.2
Total	2,607,608	100	2,617,305	100

Revenue derived from external customers represents the largest source of the Group's revenue. For the year ended 31 December 2025, revenue derived from external customers was approximately RMB2,372.7 million, representing approximately 91.0% of the Group's total revenue.

Revenue indicated by geographic regions is as follows:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Commercial Operational Services				
Yangtze River Delta	1,502,421	57.6	1,567,162	59.9
Others	596,712	22.9	572,976	21.9
	2,099,133	80.5	2,140,138	81.8
Residential Property Management Services				
Yangtze River Delta	312,198	12.0	299,021	11.4
Others	196,277	7.5	178,146	6.8
	508,475	19.5	477,167	18.2
Total	2,607,608	100	2,617,305	100

For the year ended 31 December 2025, the Group's commercial operational properties and residential management properties were primarily located in the Yangtze River Delta region.

Management Discussion and Analysis

Selling and marketing expenses

The Group's selling and marketing expenses mainly include promotion and advertising expenses. For the year ended 31 December 2025, the selling and marketing expenses of the Group amounted to approximately RMB110.2 million, representing a year-on-year decrease of 14.2%. This was mainly due to the decrease in sales promotion activities.

Administrative expenses

For the year ended 31 December 2025, the Group's total administrative expenses amounted to approximately RMB281.2 million, representing a year-on-year increase of 61.2%. This was mainly due to the increase in labour costs of management personnel and information technology expenses.

Cost of services

The cost of services primarily include: (i) employees and other labour costs; (ii) depreciation expenses; (iii) utility expenses; (iv) variable lease payments; (v) short-term lease expenditure; (vi) taxes and other levies; and (vii) other miscellaneous costs.

For the year ended 31 December 2025, the Group's cost of services was approximately RMB1,793.9 million, representing a year-on-year increase of 0.6%.

Gross profit and gross profit margin

The gross profit of the Group for the year ended 31 December 2025 amounted to approximately RMB813.7 million, representing a year-on-year decrease of 2.4%. For the year ended 31 December 2025, the gross profit margin of the Group was 31.2%, representing a decrease of 0.7 percentage point as compared to 31.9% for the year ended 31 December 2024.

The gross profit of commercial operational services for the year ended 31 December 2025 amounted to approximately RMB702.4 million, representing a year-on-year decrease of 3.6%. The gross profit margin of the Group's commercial operational services for the year ended 31 December 2025 was 33.5%, representing a decrease of 0.6 percentage point as compared to 34.1% for the year ended 31 December 2024, primarily due to adjustments in the business mix, resulting in the decrease in the proportion of certain businesses which traditionally had higher margins but experienced slowdown due to the real-estate cycle.

The gross profit of residential property management services for the year ended 31 December 2025 amounted to approximately RMB111.3 million, representing a year-on-year increase of 5.7%. The gross profit margin of the Group's residential property management services for the year ended 31 December 2025 was 21.9%, representing a decrease of 0.2 percentage point as compared to 22.1% for the year ended 31 December 2024, primarily because of the adjustment of business structure, resulting in the decrease in the proportion of certain businesses which had higher gross profit margin but were affected by the real estate cycle.

The Group's gross profit and gross profit margin by segment are as follows:

	For the year ended 31 December			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%
Commercial operational services	702,427	33.5	728,721	34.1
Residential property management services	111,269	21.9	105,231	22.1
Total	813,696	31.2	833,952	31.9

Other income and other losses – net

The Group's net other income and other losses mainly comprised the various subsidies income from local governments and the forfeited deposits from tenants due to their premature termination of contracts. For the year ended 31 December 2025, the Group's net other income and other losses amounted to approximately RMB44.3 million, representing a year-on-year increase of 23.4%. This was mainly due to the forfeited deposits from tenants due to their premature termination of contracts of approximately RMB48.4 million, partly offset by penalty expenses of approximately RMB15.4 million and foreign exchange losses of approximately RMB0.3 million.

Impairment losses on financial assets – net

The Group's net impairment losses on financial assets mainly include the allowance for impairment made in respect of operating lease and trade receivables and other receivables. For the year ended 31 December 2025, the Group's net impairment losses on assets amounted to approximately RMB232.4 million, which were mainly from related parties, representing a year-on-year increase of 5.9%. This was mainly due to the fact that based on the principle of prudence, the Group performed impairment tests on the carrying amount of trade receivables and other receivables, and made a reasonable impairment provision.

Finance income/(costs) – net

The Group's net finance income/(costs) mainly include the net of the interest expense on lease liabilities and interest income from bank deposits.

For the year ended 31 December 2025, the Group's net finance income amounted to approximately RMB4.9 million as compared to the net finance costs of approximately RMB19.2 million for the corresponding period in 2024. This was primarily attributable to the decrease in interest expense on lease liabilities.

Income tax expenses

The Group's income tax expenses mainly comprise PRC corporate income tax. For the year ended 31 December 2025, the effective income tax rate was 28.7%, representing a decrease of 3.5 percentage points as compared to 32.2% for the year ended 31 December 2024.

Profit for the year

For the year ended 31 December 2025, the Group's profit attributable to Shareholders was approximately RMB233.5 million, representing an increase of 8.1% from approximately RMB216.0 million for the year ended 31 December 2024.

Operating lease and trade receivables

The Group's operating lease and trade receivables primarily arise from property leasing services for units located within shopping malls and shopping streets as well as the provision of various services by the Group's commercial operational services segment and residential property management services segment. As at 31 December 2025, the Group's operating lease and trade receivables were approximately RMB421.1 million, representing an increase of 1.9% as compared to that of approximately RMB413.2 million as at 31 December 2024, primarily attributable to the Group's business growth.

Prepayments and other receivables

The Group's prepayments and other receivables primarily represent utility fees prepaid to the power supply bureaus, payments on behalf of tenants and residents and deposit prepayment for business purposes. As at 31 December 2025, the Group's prepayments and other receivables amounted to approximately RMB148.9 million, representing a decrease of 33.4% as compared with approximately RMB223.6 million as at 31 December 2024. Such decrease was primarily attributable to the reduction in the Group's prepayments to suppliers.

Trade and other payables

The Group's trade and other payables primarily represent amounts due to suppliers/subcontractors for the purchase of services and goods and amounts due to related parties, cash received on behalf of tenants or residents, deposits received from tenants or residents and others. As at 31 December 2025, the Group's trade and other payables amounted to approximately RMB1,168.2 million, representing an increase of 13.5% as compared with approximately RMB1,028.9 million as at 31 December 2024. This was primarily attributable to the increase in trade payables to suppliers.

Management Discussion and Analysis

Contract liabilities

Contract liabilities mainly represent advance payments made by the customers of the Group's commercial operational services and residential property management services. As at 31 December 2025, the Group's contract liabilities were approximately RMB283.5 million, representing an increase of 3.4% as compared with approximately RMB274.3 million as at 31 December 2024. This was primarily attributable to the decrease in revenue recognized by the Group in relation to contract liabilities upon completion of services.

Pledge of assets

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

Contingent liabilities

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

Litigation

On 7 May 2025, Zhejiang Xinke Real Estate Development Co., Ltd. (the "**Plaintiff**") instituted civil proceedings (Case No.: (2025)浙0112民初4526号) before the People's Court of Lin'an District, Hangzhou City, against Shanghai Powerlong Commercial Real Estate Management Company Limited ("**Defendant I**"), an indirect wholly-owned subsidiary of the Company, and its Lin'an Qingshanhu Branch ("**Defendant II**").

The Plaintiff claims joint and several liability for (i) the outstanding rent, management fees, and utility charges totalling approximately RMB6,097,000 accrued as of 20 January 2025, (ii) penalties for breach of the tenancy agreement in the amount of approximately RMB31,090,000, and (iii) compensatory damages for alleged losses amounting to approximately RMB1,000,000.

The matter arises from a lease agreement dated 4 September 2019, executed between the Plaintiff, as the landlord, and Defendant II as the tenant, pursuant to which Defendant II leased the premises for a term of twenty years. On 11 November 2024, Defendant II issued a notice of termination to the Plaintiff, purporting to terminate the tenancy agreement effective as of that date. The Plaintiff alleges that Defendant II lacked the contractual right to terminate the agreement before the expiration of the stipulated term. The Company vacated the premises in December 2024.

Taking into account the opinion of the Group's lawyer, possible outcome, and their obligations for the above case, the Group has made a provision for a claim of approximately RMB38,187,000 for the year ended 31 December 2025, which is included in other payables as of 31 December 2025.

The Company would continue to exercise their due care in monitoring the progress of the case and would assess the adequacy of provision of claim and the financial impact to the Group as and when appropriate.

Liquidity and capital resources

The Company has maintained a stable financial condition and sufficient liquidity. As at 31 December 2025, the Group's cash and bank balances amounted to approximately RMB4,478.0 million, representing an increase of 8.4% as compared with approximately RMB4,131.6 million as at 31 December 2024. This was primarily attributable to the Group's stepped up efforts in collection.

Cashflow from operating activities

For the year ended 31 December 2025, the Group's net cash generated from operating activities amounted to approximately RMB424.8 million, representing an increase of 15.9% compared to approximately RMB366.7 million for the corresponding period of 2024. This was primarily attributable to the Group's stepped up efforts in collection.

Gearing ratio

Gearing ratio is calculated based on total liabilities as at the corresponding date divided by total assets as at the same date. As at 31 December 2025, the Group's gearing ratio was 0.41 (31 December 2024: 0.47).

Foreign exchange risk

The Group's businesses are principally conducted in RMB and the Group's exposure to foreign currency risk is minimal. As such, as at 31 December 2025, the Group had not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

As at 31 December 2025, major non-RMB assets and liabilities of the Group were cash and bank balances denominated in US dollar ("US\$") and Hong Kong dollar ("HK\$"). Fluctuation of the exchange rate of RMB against US\$ and HK\$ could affect the Group's results of operations. The Group closely monitors the fluctuations in exchange rate and will consider hedging its exposure to foreign exchange risk as and when appropriate.

USE OF NET PROCEEDS

(i) Use of Net Proceeds from the Initial Public Offering and Over Allotment

The Company raised net proceeds of (i) approximately HK\$1,380.5 million from the initial public offering, and (ii) approximately HK\$208.0 million from exercising the over-allotment option on 22 January 2020 (collectively, the "Net IPO Proceeds"). As set out in the prospectus of the Company dated 16 December 2019 (the "Prospectus"), the Company intended to use the Net IPO Proceeds for the purposes as follows: (i) approximately 50% of the Net IPO Proceeds will be used to pursue strategic acquisitions of other small to medium-sized commercial operational services providers in order to scale up its commercial operational services business and expand its commercial operational services portfolio; (ii) approximately 25% of the Net IPO Proceeds will be used to upgrade the information technology systems for digitization and smart operation and management, aiming to enhance consumers' experience, improve the quality of services provided to the Group's tenants and improve operational efficiency; (iii) approximately 10% of the Net IPO Proceeds will be used to make equity investment in certain tenants with an aim of establishing close strategic cooperation with them; (iv) approximately 5% of the Net IPO Proceeds will be used for the renovation of retail commercial properties developed or owned by independent third parties under the asset-light business model; and (v) approximately 10% of the Net IPO Proceeds will be used for general business purpose and as working capital of the Group.

On 30 June 2023, the Company revised the use of unutilised Net IPO Proceeds. For details, please refer to the Company's announcement dated 30 June 2023.

(ii) Use of Proceeds from Subscription

Reference is made to the proceeds of approximately HK\$273.4 million (the "Subscription Proceeds") from the subscription of 11,250,000 new shares of the Company by Mr. Chen Deli, a former executive Director and the former chief executive officer of the Company, details of which are set out in the Company's announcement dated 10 September 2020 and the Company's circular dated 6 November 2020.

On 30 June 2023, the Company revised the use of the unutilised Subscription Proceeds. For details, please refer to the Company's announcement dated 30 June 2023.

The use of the net proceeds from (i) and (ii) above is set out in the section headed "Report of the Directors – Use of Net Proceeds" on pages 67 to 69 of this annual report.

HUMAN RESOURCES

The Group believes that the expertise, experience and professional development of the employees contribute to the growth of the Group. The human resources department of the Company manages, trains and hires employees. As at 31 December 2025, the Group had 5,517 employees (2024: 5,566). The total staff costs of the Group for the year ended 31 December 2025 amounted to approximately RMB848.8 million (2024: approximately RMB771.2 million). The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. The Group's success depends on its ability to attract, retain and motivate qualified personnel. As part of our retention strategy, the Group offers employees performance-based cash bonuses and other incentives in addition to base salaries. The Group also participates in various employee social security plans for its employees, including housing provident fund, pension, medical insurance, social insurance and unemployment insurance. In relation to staff training, the Group provides different types of programs for its staff to improve their skills and develop their respective expertise. During the year ended 31 December 2025, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Use of Net Proceeds" of this annual report, the Company has not authorised any plan for other material investments or acquisition of capital assets as at the date of this annual report.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not hold any significant investments and did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

Directors and Senior Management

The board of directors of the Company currently consists of one executive Director, two non-executive Directors and three independent non-executive Directors.

DIRECTORS

Executive Director

Mr. Hoi Wa Fong (許華芳), aged 48, joined the Group in February 2013. Mr. Hoi was appointed as a Director on 25 March 2019, and was re-designated as an executive Director and appointed as the chairman of the Board on 8 August 2019. Mr. Hoi acted as the chief executive officer (“CEO”) of the Company from 1 November 2024 to 21 January 2025. He is responsible for overseeing business development, formulation and implementation of business strategies, including acquisition plans and corporate finance of the Group. Mr. Hoi currently holds directorships in various subsidiaries of the Group.

Mr. Hoi is a member of All-China Federation of Returned Overseas Chinese, a director of China Overseas Friendship Association, the vice chairman of China Real Estate Chamber of Commerce, the vice-chairman of the Fujian Youth Federation and a council member of Fudan University. He graduated from the school of management of Xiamen University and received an EMBA degree from the Cheung Kong Graduate School of Business. He received a DBA degree from Singapore Management University in June 2021. He started to work as an intern in Xiamen Powerlong Group in 1999 and joined Powerlong Holdings upon graduation from Xiamen University in 2003. He held various positions of various Group companies including vice general manager, general manager, vice president, chief vice president and chief executive officer. Mr. Hoi is currently an executive director and the chief executive officer of Powerlong Holdings, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01238) and the holding company of the Company. He was awarded Annual Leaders in the Real Estate Industry in the PRC, Most Influential People in the Real Estate Industry in the PRC, Outstanding Individual Among Returned Overseas Chinese and Family Members, Top 10 Gold-Medal CEO of China Real Estate Listed Companies (中國房地產上市公司十大金牌CEO), Top 30 CEO in the Real Estate Industry in China (中國地產年度CEO 30強), China Commercial Real Estate Industry Outstanding Contribution Award (中國商業地產行業傑出貢獻獎), China Real Estate Achiever (中國房地產功勳人物), China Commercial Property Industry Leader (中國商業地產行業領軍人物), Achiever in Fostering the Building of Socialism with Chinese Characteristics (促進中國特色社會主義建設功勳人物), and so forth.

Mr. Hoi is the son of Mr. Hoi Kin Hong and Ms. Wong Lai Chan, all being the controlling shareholders of the Company for the purpose of the Listing Rules (the “**Controlling Shareholders**”). Mr. Hoi is also the brother of Ms. Hoi Wa Fan and the cousin of Ms. Hoi Wa Lam, both our non-executive Directors.

Non-executive Directors

Ms. Hoi Wa Fan (許華芬), aged 50, was appointed as a non-executive Director on 8 August 2019 and is responsible for providing guidance and formulation of strategies for the overall development of the Group. Since 2000, she has been the managing director of Nicole Boutique, a fashion brand concept store in Macau. Since December 2011, she has held the position of managing director of Ultra City Co., Ltd., a fashion retail company, where she has been primarily responsible for the overall management of business operation. Since April 2007, she has been the managing director of Pou Long Construction and Land Investment Company Limited (寶龍集團發展有限公司), a real estate development company controlled by Mr. Hoi Kin Hong, one of the Controlling Shareholders, where she is primarily responsible for the overall management and business development. Since 2020, she has been executive director and secretary general of Powerlong Foundation (寶龍公益基金會). Since September 2009, Ms. Hoi Wa Fan has been the non-executive director of Powerlong Holdings, where she is primarily responsible for providing guidance and formulation of development strategies for the overall development of Powerlong Holdings.

Ms. Hoi Wa Fan is the daughter of Mr. Hoi Kin Hong and Ms. Wong Lai Chan, all being the Controlling Shareholders. Ms. Hoi is also the sister of Mr. Hoi Wa Fong, an executive Director of the Group and chairman of the Board, and the cousin of Ms. Hoi Wa Lam, a non-executive Director.

Directors and Senior Management

Ms. Hoi Wa Lam (許華琳), aged 41, was appointed as a non-executive Director on 8 August 2019 and is responsible for providing guidance and formulation of development strategies for the overall development of the Group. From June 2007 to April 2009, Ms. Hoi Wa Lam was the deputy general manager of Nicole Boutique, a fashion brand concept store in Macau, where she was primarily responsible for general administration and human resources. From November 2010 to June 2017, Ms. Hoi Wa Lam worked as the general manager of Shanghai Powerlong Huayun Art Development Co., Ltd. (上海寶龍華韻藝術發展有限公司), a cultural and art event planning and marketing company controlled by Mr. Hoi Kin Hong, one of the Controlling Shareholders, where she was primarily responsible for general management and business development. Since June 2017, she has been the head of cultural sector of Powerlong Holdings, where she is primarily responsible for the overall management and business development of the cultural sector of Powerlong Holdings. She was awarded various honors and awards, including Gold Star of Annual Focus People in National Art (《國家美術》金星獎 • 年度焦點人物) and TOP 100 most influential artist in the Art Power List in China for 2018 (2018年度中國藝術權力榜TOP100最具影響力藝術人物).

Ms. Hoi Wa Lam graduated from the University of Macau (澳門大學), where she obtained a bachelor's degree in business administration in July 2008. She also obtained a master's degree in business administration from the University of Leicester in the United Kingdom in January 2011 and an executive master of business administration (EMBA) degree from Shanghai Jiao Tong University (上海交通大學) in the PRC in June 2018.

Ms. Hoi Wa Lam is the cousin of Mr. Hoi Wa Fong, an executive Director of the Group and chairman of the Board, and Ms. Hoi Wa Fan, our non-executive Director.

Independent Non-executive Directors

Dr. Lu Xiongwen (陸雄文), aged 60, was appointed as an independent non-executive Director on 10 December 2019 and is responsible for providing independent advice on the operations and management of the Group. Since July 1991, he has been engaged in teaching and research in Fudan University (復旦大學) in the PRC. He became an associate professor and a professor in Fudan University in July 1997 and May 1999, respectively. During the period from 1996 to 2006, he also held various positions including assistant dean, head of marketing, associate dean and executive associate dean of the school of management in Fudan University. Since August 2006, he has been the dean of the school of management in Fudan University.

Dr. Lu is currently an independent non-executive director of China Eastern Airlines Corporation Limited (中國東方航空股份有限公司), an airline service company whose shares are listed on the Main Board of the Stock Exchange (stock code: 670.HK) and the Shanghai Stock Exchange (stock code: 600115.SH), and an independent non-executive director of Aegon-Industrial Fund Management Co., Ltd. (興證全球基金管理有限公司). Dr. Lu was an independent non-executive director of Baoshan Iron & Steel Co., Ltd. (寶山鋼鐵股份有限公司) (stock code: 600019.SH), an iron and steel smelting company whose shares are listed on the Shanghai Stock Exchange, from May 2018 to August 2025. He was an independent non-executive director of Shanghai New Huang Pu Industrial Group Co., Ltd. (上海新黃浦實業集團股份有限公司) (stock code: 600638.SH) from December 2018 to February 2022. He was an independent non-executive director of Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區開發股份有限公司) (stock code for A-shares: 600639.SH and stock code for B-shares: 900911.SH), a property development and management company for the Shanghai Jinqiao Export Processing Zone whose shares are listed on the Shanghai Stock Exchange, from March 2016 to September 2022. Dr. Lu was an independent non-executive director of Shanghai Innovation Bank Co., Ltd (上海創科銀行有限公司) from January 2019 to December 2025. He was also an independent non-executive director of Morgan Stanley Securities (China) Co., Ltd. (摩根士丹利證券(中國)有限公司) (formerly known as Morgan Stanley Huaxin Securities Co., Ltd. (摩根士丹利華鑫證券有限責任公司), a joint venture company established by Morgan Stanley and Huaxin Securities and principally engaged in stocks underwriting and sponsoring, bonds issuance and proprietary trading) from September 2018 to July 2024.

Dr. Lu obtained a bachelor's degree, a master's degree and a doctor's degree in economics from Fudan University (復旦大學) in the PRC in July 1988, July 1991 and January 1997, respectively.

Ms. Ng Yi Kum, Estella (伍綺琴), aged 68, was appointed as an independent non-executive Director on 10 December 2019 and is responsible for providing independent advice on the operations and management of the Group. From September 2005 to November 2007, she was an executive director of Hang Lung Properties Limited (stock code: 0101.HK), a real estate development company whose shares are listed on the Main Board of the Stock Exchange. Prior to her joining in Hang Lung Properties Limited, she worked as a senior vice president of the Stock Exchange. From January 2008 to April 2014, Ms. Ng was the chief financial officer of Country Garden Holdings Company Limited (stock code: 2007.HK), a real estate development company whose shares are listed on the Main Board of the Stock Exchange. Ms. Ng was an executive director, the deputy chairman, the chief strategy officer, the chief financial officer and the company secretary of Tse Sui Luen Jewellery (International) Limited (stock code: 0417.HK), a jewellery company whose shares are listed on the Main Board of the Stock Exchange, from July 2015 to May 2024.

Ms. Ng is currently an independent non-executive director of Tianjin Development Holdings Limited (stock code: 0882.HK), a utilities, hotel, electrical and mechanical, strategic and other investments and pharmaceutical company whose shares are listed on the Main Board of the Stock Exchange, Comba Telecom Systems Holdings Limited (stock code: 2342.HK), a solution and service provider of wireless and communication systems whose shares are listed on the Main Board of the Stock Exchange, CMGE Technology Group Limited (stock code: 0302.HK), a leading IP-based game operator whose shares are listed on the Main Board of the Stock Exchange, and KWG Living Group Holdings Limited (stock code: 3913.HK), a property management service provider whose shares are listed on the Main Board of the Stock Exchange.

Ms. Ng is a qualified accountant and holds a master's degree in business administration from the Hong Kong University of Science and Technology in Hong Kong. She is an associate of The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Secretaries and Administrators, a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. She was an elected member of Quality Tourism Services Association Governing Council (Retailer Category) from December 2019 to May 2024. She has also contributed her time to various public service appointments, including being a co-opted member of the audit committee of the Hospital Authority from December 2002 to November 2013.

Mr. Chan Wai Yan, Ronald (陳惠仁), aged 46, was appointed as an independent non-executive Director on 10 December 2019 and is responsible for providing independent advice on the operations and management of the Group. Mr. Chan founded Chartwell Capital Limited, an investment management company, in October 2007 and is currently the chief investment officer. He has been its responsible officer for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "SFO") since November 2008 and February 2008, respectively. In March 2023, Mr. Chan was appointed as an independent non-executive director of Hong Kong Ferry (Holdings) Company Limited (香港小輪(集團)有限公司) (stock code: 0050.HK), a property investment company whose shares are listed on the Main Board of the Stock Exchange. In August 2023, Mr. Chan was appointed as an independent non-executive director of Lee & Man Paper Manufacturing Limited (理文造紙有限公司) (stock code: 2314.HK), a manufacturer of containerboard and pulp whose shares are listed on the Main Board of the Stock Exchange. In January 2024, Mr. Chan was also appointed as a board member of the Hong Kong Financial Services Development Council. Mr. Chan was appointed by the Stock Exchange to serve as a member of the Listing Committee of the Main Board and GEM from July 2016 to July 2022. From December 2017 to December 2021, Mr. Chan was an independent non-executive director of Wine's Link International Holdings Limited (stock code: 8509.HK), a wine products company whose shares are listed on GEM of the Stock Exchange.

Mr. Chan obtained a bachelor of science's degree in finance and accounting from the Leonard and Stern School of Business at New York University in the United States in May 2002.

SENIOR MANAGEMENT

Mr. Cai Erchao (蔡爾超), aged 39, joined the Group in March 2026 and was appointed as the chief executive officer of the Company. Prior to joining the Group, Mr. Cai served as the general manager from July 2018 to February 2026 at Xiamen Powerlong Real Estate Management Co., Ltd. (廈門寶龍地產管理有限公司), a wholly owned subsidiary of Powerlong Holdings (together with its subsidiaries other than members of the Group, the **“Remaining Powerlong Group”**), which is the controlling shareholder of the Company and its shares are listed on the Stock Exchange (stock code: 1238), where he was responsible for real estate project development. During his tenure, he led and managed several major commercial real estate development projects, possessing mature practical capabilities in the fields of commercial real estate investment, construction, and development operations. Since August 2021, Mr. Cai has also served as the chairman of Xiamen Powerlong Shangsheng Commercial Management Company Limited (廈門寶龍商盛商業管理有限公司), a former member of the Group, during which he led the overall planning and implementation of several TOD commercial projects, possessing extensive experience in commercial project management and coordination. From December 2016 to July 2018, he was responsible for the restructuring of related businesses at subsidiaries under the Remaining Powerlong Group. From September 2009 to October 2016, he founded Xiamen Ruizi Trading Co., Ltd. (廈門睿姿貿易有限公司) and served as its general manager.

Mr. Cai is the president of the Federation of Fujian Young Entrepreneurs (福建省青聯閩商促進會), vice chairman of the Fujian Business Association of Canada, standing committee member of the Xiamen Overseas Friendship Association (廈門海外聯誼會), standing committee member of the Xiamen Youth Federation, and vice president of the Xiamen Federation of Overseas Chinese Entrepreneurs. He graduated from Tianjin University of Finance and Economics, where he obtained a bachelor’s degree in financial management in July 2009.

Mr. Cai is the cousin of Mr. Hoi Wa Fong (an executive Director and the chairman of the Board of the Group). Mr. Cai is also the cousin of Ms. Hoi Wa Lam (a non-executive Director) and Ms. Hoi Wa Fan (a non-executive Director).

Mr. He Xuguang (賀旭光), aged 50, joined Powerlong Holdings as the deputy general manager of its financial management center in February 2010, and also took up the role of general manager of the supervisory department of Powerlong Holdings. In November 2022, Mr. He was appointed as vice president of the Group and general manager of the financial management center. On 29 March 2023, Mr. He was appointed as the chief financial officer of the Company, mainly responsible for devising and implementing the Group’s system of rights and responsibilities, business strategies and operational goals, as well as financial management, cost control and investment management.

Mr. He has over 18 years of experience in the real estate market. Prior to joining the Group, from October 2003 to March 2005, Mr. He was a researcher with the asset management department of Southwest Securities Co., Ltd., an asset management and operation company whose shares are listed on the Shanghai Stock Exchange (stock code: 600369.SH), primarily participating in research and development. From April 2005 to January 2006, Mr. He was a researcher with Shanghai Shangdong Investment Management Co., Ltd., an investment management company, responsible for the research of fundamentals of listed companies and their respective industries. From February 2006 to February 2010, Mr. He was assistant to the general manager of the group finance department of Jiangsu Dihua Group Co., Ltd., a conglomerate engaged in real estate development, sale, renovation, gardening and greening, and was responsible for financial management.

Mr. He obtained his bachelor’s degree in applied physics, master’s degree in financial management and doctoral degree in finance from Shanghai Jiaotong University in July 1997, February 2000 and March 2003, respectively. He was granted the qualification of certified public accountant (non-practising) by Shanghai Institute of Certified Public Accountants in April 2002, the qualification of international chartered financial analyst in November 2007, and the qualification of certified tax agent by Shanghai Association of Certified Tax Agent in August 2009.

Ms. Song Xiuting (宋秀婷), aged 49, joined the Group in November 2006, and currently serves as an assistant president of the Group, as well as the general manager of its operational management center business division No. 1 in charge of the operational management and strategic planning of the Group. Prior to that, she successively held various positions in the Group, including department manager, director, project general manager and regional head, general manager of expansion department, general manager of the business division No. 3, general manager of the tenant sourcing management center and general manager of the operational management center of the Group.

Mr. Xu Rui (許睿), aged 45, joined the Group in March 2025 as an assistant president and general manager of the operational management center business division No. 2 of the Group. Prior to joining the Group, from November 2013 to May 2018, he served as the general manager of the Kunshan Golden Eagle International Shopping Center. From May 2018 to February 2021, he served as the general manager of the Kunshan Wanda Plaza in Wuxi region of Wanda Group. From February 2021 to March 2025, he served as the general manager of the Hefei-Nanjing region of the Commercial Division of Longfor Group.

JOINT COMPANY SECRETARIES

Ms. Zhang Yiting (張依婷), aged 37, was appointed as one of the joint company secretaries of the Company on 29 March 2023. Ms. Zhang re-joined the Group in February 2023 as a capital director. She is responsible for the company secretarial, compliance and investor relations functions of the Group. Before re-joining the Group, she worked as a senior capital manager of the Group from February 2020 to September 2022. From September 2022 to December 2022, Ms. Zhang worked as an information disclosure manager of WEILONG Delicious Global Holdings Ltd, whose shares are listed on the Main Board of the Stock Exchange (stock code: 9985.HK). From February 2011 to February 2020, Ms. Zhang worked as the accounting supervisor and the investment manager of Powerlong Holdings.

Ms. Zhang obtained a bachelor's degree in management from Jiang Xi Agricultural University in 2010, and she also obtained the qualification of intermediate accountant granted by the MOF in the PRC in 2015.

Ms. Leung Wai Yan (梁慧欣) was appointed as one of the joint company secretaries of the Company on 30 August 2022. Ms. Leung is a manager of corporate services of Vistra Corporate Services (HK) Limited. She has over 18 years of experience in providing company secretarial services to numerous listed and private companies.

On 30 August 2022, Ms. Leung was also appointed as joint company secretary of Powerlong Holdings, which is the controlling shareholder of the Company and its shares are listed on the Stock Exchange (stock code: 1238.HK).

Ms. Leung obtained a bachelor of business (administrative management) from University of South Australia and a master of laws majoring in corporate and financial law from The University of Hong Kong. She has been an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute in the United Kingdom since 2009.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance Report

The Board of Directors is pleased to present the corporate governance report for the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

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

The Company has applied the principles of the Corporate Governance Code of Appendix C1 to the Listing Rules (the “**CG Code**”) and adopted the code provisions set out in part 2 of the CG Code as its own code to govern its corporate governance practices. The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

During the year ended 31 December 2025, the Company had complied with all code provisions set out in the CG Code, save and except for code provisions C.1.7 and C.2.1 of the CG Code.

As stipulated in code provision C.1.7 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. Please refer to the sub-section headed “Directors’ and Senior Management’s Liability Insurance and Indemnity” for details.

As stipulated in code provision C.2.1 of the CG Code, the roles of chairman and the chief executive should be separate and should not be performed by the same individual. Please refer to the sub-section headed “Chairman and Chief Executive Officer” for details.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for securities transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made by the Company to all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the year ended 31 December 2025. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code during the year ended 31 December 2025.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises one executive Director, two non-executive Directors and three independent non-executive Directors.

During the year ended 31 December 2025 and up to the date of this annual report, the composition of the Board is as follows:

Executive Director

Mr. Hoi Wa Fong (許華芳) (Chairman of the Board)

Non-executive Directors

Ms. Hoi Wa Fan (許華芬)

Ms. Hoi Wa Lam (許華琳)

Independent non-executive Directors

Dr. Lu Xiongwen (陸雄文)

Ms. Ng Yi Kum, Estella (伍綺琴)

Mr. Chan Wai Yan, Ronald (陳惠仁)

The biographical details of the Directors are set out in the section headed “Directors and Senior Management” on pages 33 to 37 of this annual report.

Mr. Hoi Wa Fong is brother of Ms. Hoi Wa Fan and cousin of Ms. Hoi Wa Lam.

Ms. Hoi Wa Fan is sister of Mr. Hoi Wa Fong and cousin of Ms. Hoi Wa Lam.

Ms. Hoi Wa Lam is cousin of Mr. Hoi Wa Fong and Ms. Hoi Wa Fan.

Mr. Cai Erchao, the current CEO, is the cousin of Mr. Hoi Wa Fong, Ms. Hoi Wa Lam and Ms. Hoi Wa Fan.

Except as disclosed above, there is no other relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members, the chairman of the Board and the CEO.

The Board should regularly review the contribution required from the Directors to perform their responsibilities to the Company, and whether the Directors are spending sufficient time to perform.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Following the resignation of Mr. Chen Deli, who was the CEO, on 1 November 2024 and the appointment of Mr. Hoi Wa Fong as the CEO on the same day, Mr. Hoi Wa Fong acted as both the Chairman and CEO until his stepping down as the CEO on 21 January 2025.

On 21 January 2025, Mr. Xu Meng was appointed as the CEO, and Mr. Hoi Wa Fong stepped down from such role. Mr. Hoi Wa Fong has continued to act as the Chairman and an executive Director after ceasing to act as the CEO.

On 1 March 2026, Mr. Cai Erchao was appointed as the CEO, and Mr. Xu Meng stepped down from such role. For details, please refer to the Company’s announcement dated 1 March 2026.

Following the above change, the Company has re-complied with code provision C.2.1 pursuant to which the roles of the Chairman and the CEO are held by Mr. Hoi Wa Fong and Mr. Cai Erchao, respectively.

DIRECTORS’ AND SENIOR MANAGEMENT’S LIABILITY INSURANCE AND INDEMNITY

As stipulated in code provision C.1.7 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors.

The director liability insurance taken out by the Company for the Directors has lapsed on 1 April 2025. Despite reasonable efforts, the Company has yet to identify a suitable director liability insurance policy with reasonable premium while providing adequate cover to the Directors. The Company will continue to seek appropriate insurance cover in this regard.

BOARD MEETINGS AND COMMITTEE MEETINGS

Code provision C.5.1 of the CG Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communications.

The Board held four meetings during the year ended 31 December 2025. The Directors expects to convene at least four regular Board meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the CG Code.

Corporate Governance Report

A summary of the attendance record of the Directors at Board meetings and committee meetings is set out below:

Name of Director	Number of meeting(s) attended/number of meeting(s) held for the year ended 31 December 2025			
	Board	Audit Committee	Remuneration Committee	Nomination Committee
Executive Director:				
Mr. Hoi Wa Fong	4/4	N/A	1/1	1/1
Non-executive Directors:				
Ms. Hoi Wa Fan	4/4	N/A	N/A	N/A
Ms. Hoi Wa Lam	4/4	N/A	N/A	N/A
Independent non-executive Directors:				
Dr. Lu Xiongwen	4/4	3/3	1/1	1/1
Ms. Ng Yi Kum, Estella*	4/4	3/3	N/A	1/1
Mr. Chan Wai Yan, Ronald	3/4	2/3	1/1	1/1

* Ms. Ng Yi Kum, Estella has been appointed as a member of the Nomination Committee on 26 March 2025.

GENERAL MEETING

During the year ended 31 December 2025, one general meeting was held.

A summary of the attendance record of the Directors at the general meeting is set out in the following table below:

Name of Director	Number of general meeting(s) attended/number of general meeting(s) held for the year ended 31 December 2025
Executive Director:	
Mr. Hoi Wa Fong	1/1
Non-executive Directors:	
Ms. Hoi Wa Fan	1/1
Ms. Hoi Wa Lam	1/1
Independent Non-executive Directors:	
Dr. Lu Xiongwen	1/1
Ms. Ng Yi Kum, Estella	1/1
Mr. Chan Wai Yan, Ronald	1/1

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received from each of the independent non-executive Directors a written annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Directors have renewed their service contracts (for executive Director) or letters of appointment (for non-executive Directors and independent non-executive Directors) with the Company for a term of 3 years with effect from 30 December 2025.

All the Directors are subject to retirement by rotation and re-election at annual general meeting of the Company. Pursuant to the articles of association of the Company (the “**Articles of Association**”), one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office and be eligible for re-election at each annual general meeting of the Company, provided that every Director is subject to retirement by rotation at least once every three years. In addition, any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with article 16.19 of the Articles of Association, Ms. Hoi Wa Fan and Ms. Hoi Wa Lam will retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is the primary decision making body of the Company and is responsible for overseeing the Group’s businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively to safeguard the interests of the Company and its shareholders. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. Before entering into any significant transactions or commitments on behalf of the Company, senior management should obtain prior approval and authorization from the Board.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company’s affairs. Each of these committees is established with defined written terms of reference. The terms of reference of each of these committees are available on the websites of the Company and the Stock Exchange.

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee include, but not limited to (i) review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit; (ii) provide advice and comments to the Board; and (iii) perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee comprises three independent non-executive Directors, namely Ms. Ng Yi Kum, Estella, Mr. Chan Wai Yan, Ronald and Dr. Lu Xiongwen. Ms. Ng Yi Kum, Estella is the chairlady of the Audit Committee.

For the year ended 31 December 2025, the Audit Committee held three meetings during the year to review the Group’s policies on corporate governance and discussed the same with the Board, to review the Company’s financial reporting system, compliance procedures, internal control and risk management systems (including operation, tenant sourcing, procurement and cost, financial control and risk management) and associated processes, and discussed the reappointment of the external auditor. The Audit Committee also reviewed the annual results of the Company for the year ended 31 December 2024 and interim results of the Company for the six months ended 30 June 2025 as well as the audit report prepared by the external auditor relating to accounting issues and major findings in the course of audit.

Corporate Governance Report

The attendance record of the Audit Committee members is set out below:

Directors	Attended in person/Eligible to attend
Ms. Ng Yi Kum, Estella (Chairlady)	3/3
Mr. Chan Wai Yan, Ronald	2/3
Dr. Lu Xiongwen	3/3

During the year ended 31 December 2025, the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee include, but not limited to (i) establishing, reviewing and providing advices to the Board on the policy and structure concerning remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) making recommendations to the Board on the terms of the specific remuneration package of each Director and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

The Remuneration Committee comprises one executive Director, namely Mr. Hoi Wa Fong, and two independent non-executive Directors, namely Mr. Chan Wai Yan, Ronald and Dr. Lu Xiongwen. Dr. Lu Xiongwen is the chairman of the Remuneration Committee.

For the year ended 31 December 2025, the Remuneration Committee held one meeting during the year to discuss and review the remuneration policy for the Directors and senior management of the Company, to assess performance of the executive Directors, and make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The attendance record of the Remuneration Committee members is set out below:

Directors	Attended in person/Eligible to attend
Dr. Lu Xiongwen (Chairman)	1/1
Mr. Hoi Wa Fong	1/1
Mr. Chan Wai Yan, Ronald	1/1

Details of the remuneration payable to each Director of the Company for the year ended 31 December 2025 are set out in Note 37 to the Consolidated Financial Statements. The remuneration of the members of senior management (other than Directors) by band for the year ended 31 December 2025 is set out below:

Remuneration bands (HKD)	Number of persons
1,000,001 to 1,500,000	6
Total	6

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with the CG Code and Rule 3.27A of the Listing Rules. The primary duties of the Nomination Committee include, but not limited to (i) review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of the Board; (ii) identify, select or make recommendations to the Board on the selection of individuals nominated for directorship, and ensure the diversity of the Board members; (iii) assess the independence of the independent non-executive Directors; and (iv) make recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for the Directors.

With effect from 26 March 2025, Ms. Ng Yi Kum, Estella, an independent non-executive Director, has been appointed as a member of the Nomination Committee. The composition of the Nomination Committee henceforth comprises four members, including one executive Director, Mr. Hoi Wa Fong; and three independent non-executive Directors, Mr. Chan Wai Yan, Ronald, Dr. Lu Xiongwen and Ms. Ng Yi Kum, Estella. Mr. Hoi Wa Fong is the chairman of the Nomination Committee.

For the year ended 31 December 2025, the Nomination Committee held one meeting during the year to review and discuss the policy, procedures and criteria for nomination of the Directors, review and discuss the Board diversity policy and to discuss all measurable objectives set for implementing the policy and the progress made towards meeting the measurable objective in the policy, assessed the independence of independent non-executive Directors, considered the re-appointment of the retiring Directors, appointment of member of the Nomination Committee, reviewed the time commitment required from the Directors.

The attendance record of the Nomination Committee members is set out below:

Directors	Attended in person/Eligible to attend
Mr. Hoi Wa Fong (Chairman)	1/1
Mr. Chan Wai Yan, Ronald	1/1
Dr. Lu Xiongwen	1/1
Ms. Ng Yi Kum, Estella	1/1

Nomination Policy

The Company has re-adopted a nomination policy (the “**Nomination Policy**”) on 10 June 2025, which sets out the selection criteria and procedures to nominate board candidates. The Nomination Policy aims to nominate suitable candidates to the Board.

Pursuant to the Nomination Policy, the Nomination Committee shall identify suitable board candidates and make recommendation to the Board, after assessing a number of factors of a candidate, including, but not limited to, reputation for integrity, accomplishment and experience, commitment in respect of available time and attention on relevant matters, independence of proposed independent non-executive Directors and diversity in all aspects. The Board shall have the final decision in relation to its nomination of any candidates to stand for election at a general meeting.

The Nomination Committee will review the Nomination Policy, as appropriate, and recommend revision to the Board for consideration and approval.

Director Nomination Procedure

Subject to the provisions in the Articles of Association of the Company and the Listing Rules, if the Board recognises the need for an additional Director, the following procedure will be followed:

- (1) The Nomination Committee and/or Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;
- (2) The Nomination Committee and/or the company secretary of the Company will then provide the Board with the biographical details and details of the relationship between the candidate and the Company and the Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Law of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;
- (3) The Nomination Committee would then make recommendation to the Board on the proposed candidate(s) and the terms and conditions of the appointment;
- (4) In the case of the appointment of an independent non-executive Director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time;
- (5) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee; and
- (6) The Nomination Committee and/or the Board would then make recommendations to shareholders in respect of the proposed re-election of directors at the annual general meeting.

Dividend Policy

The Company has adopted a dividend policy (the “**Dividend Policy**”) which aims to increase or maintain the value of dividends per share of the Company, to provide reasonable return in investment of investors, and to allow Shareholders to assess its dividend payout trend and intention.

Pursuant to the Dividend Policy, any declaration and payment as well as the amount of dividends will be subject to the Company’s constitutional documents and the relevant laws. The Board intends to recommend at the relevant Shareholders’ meetings an annual dividend of no less than 30% of the profits available for distribution generated in each financial year beginning from the year ended 31 December 2019. The recommendation of the payment of dividend is subject to the absolute discretion of the Board, and any declaration of final dividend for the year will be subject to the approval of the Shareholders.

The Board will continue to review and amend the Dividend Policy from time to time as appropriate.

Board Diversity Policy

The Company has adopted a board diversity policy (the “**Diversity Policy**”) which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diversified Board.

The Company has adopted a board diversity policy with the aim of achieving an appropriate level of diversity among Board members according to the circumstances of our Group from time to time. In summary, the Diversity Policy sets out that when considering the nomination and appointment of a Director, with the assistance of our Nomination Committee, the Board would consider a range of diversity of perspectives, including but not limited to the skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender and the potential contributions that the candidate is expected to bring to the Board, in order to better serve the needs and development of the Company. All Board appointments will be based on merits and candidates will be considered against objective criteria, having due regard to the benefits of diversity to the Board.

During the year ended 31 December 2025, the Board had three female Directors and three male Directors. The Board aims to maintain at least the current level of female representation and achieve a balanced gender diversity based on stakeholders’ expectations and best practices. The Board believes that the current composition of the Board satisfies the Company’s specific needs for gender diversity. The Board will regularly review its policies and procedures for board diversity, taking into account relevant data and feedback from stakeholders, and will take appropriate action as needed to ensure that it is achieving its gender diversity goals.

During the year ended 31 December 2025, under the Diversity Policy, the Board has adopted and the Company has fully achieved the following Measurable Objectives: (a) to ensure at least two members of the Board shall have obtained accounting or other professional qualification; (b) to ensure at least 33% of the members of the Board have more than 10 years of experience in real estate development or property management; (c) to ensure the appropriate proportion of the independent non-executive Directors to the executive Directors in order to maintain the independence of the Board. In particular, at least 33% of the members of the Board shall be independent non-executive Directors; (d) to ensure at least 60% of the members of the Board shall have attained Bachelor’s degree or higher level of education; and (e) to ensure at least one member of the Board shall be female.

As at 31 December 2025, the Group had 3,470 male employees and 2,047 female employees, and the male-to-female ratio in the workforce, including the senior management, was approximately 1.0:0.6, which is regarded by the Board as satisfactory and in line with the industry which the Group operates its businesses in. The Company will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time with the ultimate goal of achieving gender parity, such that there is a pipeline of female senior management and potential successors to the Board in the future.

The Nomination Committee will review the Diversity Policy from time to time to ensure its continued effectiveness.

CORPORATE GOVERNANCE FUNCTION

The Board has delegated the functions set out in code provision A.2.1 of the CG Code to the Audit Committee.

During the year ended 31 December 2025, the Audit Committee has reviewed the Company’s corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company’s policies and practices on compliance with legal and regulatory requirements, and the Company’s compliance with the CG Code and disclosure in its Corporate Governance Report.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company may from time to time and as the circumstances require provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing all information and representations contained in the consolidated financial statements of the Group for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of the responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

The Company acknowledges the importance of Directors participating in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant internally-facilitated briefings for the Directors have been arranged and reading material on relevant topics would be issued to the Directors where appropriate. They are encouraged to attend relevant training course at the Company's expenses.

During the year ended 31 December 2025, all of the Directors, namely, Mr. Hoi Wa Fong, Ms. Hoi Wa Fan, Ms. Hoi Wa Lam, Dr. Lu Xiongwen, Ms. Ng Yi Kum, Estella and Mr. Chan Wai Yan, Ronald participated in a training session conducted by SWCS Corporate Services Group (Hong Kong) Limited, regarding the newly amended listing rules: essentials for directors on corporate governance and compliance requirements.

The Company will arrange regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed KTC Partners CPA Limited ("**KTC Partners**") to serve as the external auditor for the year ended 31 December 2025. The declaration of KTC Partners as to its reporting duties on the financial statements is set out in the section headed "Independent Auditor's Report" in this annual report.

Details of the fees paid/payable in respect of the audit services provided by KTC Partners for the year ended 31 December 2025 are set out in the table below:

Services rendered	(RMB million)
Audit services: Annual audit (including the review of interim results pursuant to No. 2410 of the Hong Kong Standards on Review Engagements)	1.78

KTC Partners did not provide any non-audit services to the Company for the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for the Company's risk management and internal control systems and reviewing their effectiveness at least annually. The risk management and internal control measures 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. The Board had conducted a review of the effectiveness of the risk management and internal control system of the Company in respect of the year ended 31 December 2025 covering all material controls, including financial, operational and compliance control, and considered the system effective and adequate. The Company has established an anti-corruption and whistleblowing policy to raise awareness of anti-corruption within the Group. The Board will regularly review the policy's implementation and achievements to combat corruption, promote integrity, and continuously reinforce organizational values consistent with the law, ethics, and responsibility.

The Group has an internal control department, and has designated relevant personnel who are responsible for identifying and monitoring the Group's risks and internal control issues and reports directly to the Board of any findings and follow-up actions. Each member of the Group is required to adhere strictly to the Group's internal control procedures and report to the internal control team of any risks or internal control measures.

The Audit Committee and management together monitor the implementation of the risk management policies (the “**Risk Management Policies**”) on an ongoing basis to ensure the policies and implementation are effective and sufficient. Arrangements are in place to identify, evaluate and manage significant risks including operation, tenant sourcing, procurement and cost, financial control and risk management. The Company’s management, under the supervision of the Board or a committee of the Board takes reasonable steps to (i) monitor compliance with the Risk Management Policies, and (ii) when appropriate, impose and enforce appropriate disciplinary measures for violations of the Risk Management Policies.

The Group has established a supervision department to perform internal audit function on the Group’s affairs. The supervision department is responsible for carrying out analysis and independent appraisal of the adequacy and effectiveness of the Company’s risk management and internal control systems. The supervision department reports to the Audit Committee on its findings and makes recommendations in respect of any issues identified by the external auditor of the Group.

DISCLOSURE OF INSIDE INFORMATION

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

COMPANY SECRETARIES AND PRIMARY CONTACT OF THE COMPANY

The Company has appointed Ms. Leung Wai Yan and Ms. Zhang Yiting as the joint company secretaries of the Company. Ms. Leung Wai Yan is currently a manager of corporate services of Vistra Corporate Services (HK) Limited (a company secretarial service provider). Ms. Zhang Yiting is a capital director of the Company, another joint company secretary of the Company, and the primary contact of Ms. Leung Wai Yan at the Company.

In compliance with Rule 3.29 of the Listing Rules, each of Ms. Zhang Yiting and Ms. Leung Wai Yan has undertaken not less than 15 hours of relevant professional training to update their skills and knowledge during the year ended 31 December 2025.

SHAREHOLDERS’ RIGHTS

Convening of Extraordinary General Meetings (“EGM”) by Shareholders

Pursuant to article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited 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 signed by the requisitionist(s).

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 requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting forward proposals at Shareholders’ meetings

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

Putting Forward Enquiries to the Board and Contact Details

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

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

Address: Powerlong Tower, 1399 Xinzhen Road, Minhang District, Shanghai, PRC (Postal Code: 201101)
Telephone: (+86) 021-51759999
E-mail address: boardteam9909@powerlong.com

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The Company has in place a shareholders' communication policy which encourages all forms of communication and welcomes feedback, questions, or concerns from Shareholders and aims to ensure that shareholders are provided with timely access to the Company's information. The policy sets out various channels to communicate with its Shareholders, such as:

- (i) publishing all corporate communications on the Company's website at <https://www.powerlongcm.com/>;
- (ii) publishing announcements on the websites of the Stock Exchange and the Company; and
- (iii) annual and extraordinary general meetings, if any, provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management.

General meetings are valuable forums for direct communications between the Board and Shareholders. Shareholders are encouraged to participate in general meetings of the Company. Sufficient notice of general meetings will be given to Shareholders in accordance with the Articles of Association. The Directors and members of various Board committees, and if appropriate, the external auditors of the Company, will attend the general meetings of the Company. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group.

At the forthcoming annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

Based on the above, the Board considers that the Company's shareholders' communication policy remained effective during the year ended 31 December 2025.

CHANGES IN CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there was no change in the constitutional documents of the Company. The memorandum of association ("**Memorandum**") and Articles of Association of the Company are available on the respective website of the Stock Exchange and the Company.

On 30 March 2026, the Board proposed to amend the existing Memorandum and Articles of Association to, among others, reflect the Stock Exchange's proposals and related rule amendments concerning (a) the introduction of a treasury shares regime; (b) the further expansion of the paperless listing regime and other rule amendments (including the use of electronic means for the giving and receipt of shareholder instructions); and (c) the implementation of an uncertificated securities market. For details, please refer to the announcement of the Company dated 30 March 2026 and the circular of the Company dated 28 April 2026.

INDEPENDENCE MECHANISMS

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall at all times comprise at least two independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the nomination committee of the Company is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors (including the independent non-executive Directors) are given equal opportunities and channels to communicate and express their views to the Board during Board meetings and they have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the existing mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2025.

Report of the Directors

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

DIRECTORS

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

Executive Director:

Mr. Hoi Wa Fong (許華芳) (Chairman of the Board)

Non-Executive Directors:

Ms. Hoi Wa Fan (許華芬)

Ms. Hoi Wa Lam (許華琳)

Independent Non-executive Directors:

Dr. Lu Xiongwen (陸雄文)

Ms. Ng Yi Kum, Estella (伍綺琴)

Mr. Chan Wai Yan, Ronald (陳惠仁)

Biographical details of the Directors and senior management of the Company are set out in the section headed "Directors and Senior Management" on pages 33 to 37 of this annual report.

PRINCIPAL ACTIVITIES

The Group is a leading commercial operational service provider in China with principal business lines including:

- Commercial operational services: the Group provides full-chain services including positioning, tenant sourcing, opening, operation to management with respect to shopping malls and shopping streets, which primarily include (i) market research and positioning, tenant sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of a retail commercial property; (ii) commercial operation and management services during the operation stage of a retail commercial property to property owners or tenants; and (iii) property leasing services with respect to units located within the shopping streets and shopping malls.
- Residential property management services: the Group provides property management services for residential properties, office buildings and serviced apartments which primarily include (i) pre-sale management services to property developers during their pre-sale activities such as cleaning, security and maintenance of pre-sale display units and sales offices; (ii) property management services to property owners or property owners' associations at the post-delivery stages such as security, cleaning, gardening and repair and maintenance services; and (iii) other value-added services to property owners, tenants or residents of our managed properties, such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services.

Analysis of the principal activities of the Group during the year ended 31 December 2025 is set out in the section headed "Management Discussion and Analysis" of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the section headed "Management Discussion and Analysis" and "Five-Year Financial Summary" of this annual report. These discussions form part of the Report of the Directors. The Group's key relationship with its stakeholders (including employees, customers and suppliers) who have a significant impact on the Group and on which the Group's success depends, is set out in this annual report. Events affecting the Group that have occurred since the end of the financial year ended 31 December 2025, if any, is set out in the section headed "Significant Events After The Balance Sheet Date" in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties facing the Group:

- changes in the PRC's economic conditions in general and the real estate market in particular;
- changes in disposable personal income in the PRC;
- changes in government regulations;
- changes in the supply of and demand for retail commercial operational and residential property management services;
- the ability to generate sufficient liquidity internally and obtain external financing;
- the ability to recruit and train competent employees;
- the ability to select and work with suitable third-party subcontractors and suppliers;
- the ability to understand the needs of tenants in the commercial properties where we provide commercial operational services and residents or tenants in the properties where we provide residential property management services;
- the ability to adapt to new markets where we have no prior experience and in particular, whether we can adapt to the administrative, regulatory and tax environments in such markets;
- the ability to leverage our brand names and to compete successfully in new markets, particularly against the incumbent players in such markets who might have more resources and experience than we do; and
- the ability to improve our administrative, technical, operational and financial infrastructure.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the shares of the Company.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to operate its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations.

Further details of the Group's environmental policies and performance will be disclosed in the environmental, social and governance report of the Company for the year ended 31 December 2025.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 December 2025, there was no material breach of, or non-compliance, with applicable laws and regulations by the Group.

HUMAN RESOURCES

The Group believes that the expertise, experience and professional development of the employees contribute to the growth of the Group. The human resources department of the Group manages, trains and hires employees. As at 31 December 2025, the Group had 5,517 employees (2024: 5,566), with a male to female ratio of 1.0:0.6. The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees performance-based cash bonuses and other incentives in addition to base salaries. The total remuneration expenses, for the year ended 31 December 2025 were RMB848.8 million, representing an increase of 10.1% as compared to the previous year. The Group also participates in various employee social security plans for its employees, including housing provident fund, pension, medical insurance, social insurance and unemployment insurance. During the year ended 31 December 2025, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

RETIREMENT BENEFITS SCHEME

The Group does not have any employee who is required to participate in the mandatory provident fund schemes in Hong Kong. The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. There are no provisions under the scheme whereby forfeited contributions may be used to reduce future contributions. 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 the pension obligations of the Group are set out in Note 8 to the consolidated financial statements in this annual report.

CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Group entered into the following connected transaction or continuing connected transactions, details of which were disclosed in compliance with the disclosure requirements under Chapter 14A of the Listing Rules.

Continuing Connected Transactions

The following transactions constituted continuing connected transactions of the Group for the year ended 31 December 2025 which are subject to the reporting and annual review requirements under Chapter 14A of the Listing Rules:

1. Car Parking Lots Management Services

Background

On 1 January 2019, the Company and Powerlong Holdings agreed to adopt a new car parking lots management arrangement, pursuant to which the Group would lease the car parking lots from the Remaining Powerlong Group and its associates and manage the car parking lots. Under such arrangement, the Group would pay an annual rent to the Remaining Powerlong Group and its associates, while the income generated from the car parking lots would be received by the Group from independent third party customers and this would not constitute continuing connected transactions for the Group.

On 10 December 2019, the Company (for itself and on behalf of its subsidiaries) entered into a car parking lots management services framework agreement with Powerlong Holdings (for itself and on behalf of the other members of the Remaining Powerlong Group and its associates) (the **"2019 Car Parking Lots Management Services Framework Agreement"**), pursuant to which the Group shall manage certain car parking lots owned by the Remaining Powerlong Group and/or its associates and subleased to customers in the properties managed by the Group (the **"Car Parking Lots Management Services"**), for a term commencing from the Listing Date to 31 December 2021. On 11 May 2022, the Company entered into a car parking lots management services framework agreement with Powerlong Holdings (for itself and on behalf of the other members of the Remaining Powerlong Group and its associates) (the **"2022 Car Parking Lots Management Services Framework Agreement"**) to renew the 2019 Car Parking Lots Management Services Framework Agreement, for a term commencing from 1 January 2022 to 31 December 2023, both dates inclusive.

On 15 September 2023, the Company (for itself and on behalf of its subsidiaries) entered into a car parking lots management services framework agreement with Powerlong Holdings (for itself and on behalf of the other members of the Remaining Powerlong Group and its associates) (the **"2023 Car Parking Lots Management Services Framework Agreement"**) to renew the 2022 Car Parking Lots Management Services Framework Agreement, for a term commencing from 1 January 2024 to 31 December 2026, both dates inclusive. The annual caps of the transactions contemplated under the 2023 Car Parking Lots Management Services Framework Agreement for the years ended/ending 31 December 2024, 2025 and 2026 are RMB149.9 million, RMB189.1 million and RMB222.4 million, respectively. For the year ended 31 December 2025, the annual fee paid/payable by the Group under the 2023 Car Parking Lots Management Services Framework Agreement was RMB79.0 million, within the annual cap of RMB189.1 million for the period.

2. Residential Property Management Services

Background

On 10 December 2019, the Company (for itself and on behalf of its subsidiaries) entered into a residential property management services framework agreement with Powerlong Holdings (for itself and on behalf of the other members of the Remaining Powerlong Group and its associates) (the “**2019 Residential Property Management Services Framework Agreement**”), pursuant to which the Group agreed to provide to the Remaining Powerlong Group and/or its associates residential property management services, including but not limited to (i) residential property management services for unsold units and sales offices owned by the Remaining Powerlong Group and/or its associates; and (ii) early stage initiation services, including but not limited to providing staff training before the delivery of the properties and initiation residential property management service before the completion of property projects, and housing inspection services on properties developed by the Remaining Powerlong Group and/or its associates upon completion of construction and before delivery of the same to homeowners (the “**Residential Property Management Services**”), for a term commencing from the Listing Date to 31 December 2021. On 8 September 2021, the Company and Powerlong Holdings entered into a framework agreement in relation to the provision by the Group of Residential Property Management Services to the Remaining Powerlong Group and/or its associates (the “**2021 Residential Property Management Services Framework Agreement**”) to renew the 2019 Residential Property Management Services Framework Agreement, which was approved by the independent shareholders of the Company at the extraordinary general meeting held on 10 November 2021 (the “**Effective Date**”) and became effective on the same day, for a term commencing on the Effective Date and ending on 31 December 2023, both dates inclusive. The 2019 Residential Property Management Services Framework Agreement was terminated on the Effective Date.

On 15 September 2023, the Company and Powerlong Holdings entered into a framework agreement in relation to the provision by the Group of Residential Property Management Services to the Remaining Powerlong Group and/or its associates (the “**2023 Residential Property Management Services Framework Agreement**”) to renew the 2021 Residential Property Management Services Framework Agreement, for a term commencing from 1 January 2024 to 31 December 2026, both dates inclusive. For the years ended/ending 31 December 2024, 2025 and 2026, the annual caps for the transactions contemplated under the 2023 Residential Property Management Services Framework Agreement are RMB151.0 million, RMB169.0 million and RMB182.0 million, respectively. The annual fee paid/payable by the Remaining Powerlong Group and/or its associates under the 2023 Residential Property Management Services Framework Agreement for the year ended 31 December 2025 was RMB8.7 million, within the annual cap of RMB169.0 million for the period.

3. Commercial Operational Services

Background

On 10 December 2019, the Company (for itself and on behalf of its subsidiaries) entered into a commercial operational services framework agreement (the “**2019 Commercial Operational Services Framework Agreement**”) with Powerlong Holdings (for itself and on behalf of the other members of the Remaining Powerlong Group and its associates), pursuant to which the Group agreed to provide commercial operational services on the commercial buildings owned or operated by the Remaining Powerlong Group and/or its associates, including but not limited to, (i) market research and positioning, (ii) tenant sourcing and opening preparation; and (iii) tenant management and rent collection (the “**Commercial Operational Services**”), for a term commencing from the Listing Date to 31 December 2021. On 8 September 2021, the Company and Powerlong Holdings entered into a framework agreement in relation to the provision by the Group of Commercial Operational Services to the Remaining Powerlong Group and/or its associates (the “**2021 Commercial Operational Services Framework Agreement**”) to renew the 2019 Commercial Operational Services Framework Agreement, which was approved by the independent shareholders of the Company at the extraordinary general meeting held on 10 November 2021 and became effective on the same day, for a term commencing on the Effective Date and ending on 31 December 2023, both dates inclusive. The 2019 Commercial Operational Services Framework Agreement was terminated on the Effective Date.

On 15 September 2023, the Company and Powerlong Holdings entered into a framework agreement in relation to the provision by the Group of Commercial Operational Services to the Remaining Powerlong Group and/or its associates (the “**2023 Commercial Operational Services Framework Agreement**”) to renew the 2021 Commercial Operational Services Framework Agreement, for a term commencing from 1 January 2024 to 31 December 2026, both dates inclusive. For the years ended/ending 31 December 2024, 2025 and 2026, the annual caps for the transactions contemplated under the 2023 Commercial Operational Services Framework Agreement are RMB471.0 million, RMB573.2 million and RMB653.9 million, respectively. The annual fee paid/payable by the Remaining Powerlong Group and/or its associates under the 2023 Commercial Operational Services Framework Agreement for the year ended 31 December 2025 was RMB225.9 million, within the annual cap of RMB573.2 million for the period.

4. Common Area and Advertising Space Management Services

Background

On 1 January 2019, the Company and Powerlong Holdings agreed to adopt a new common area and advertising space management arrangement, pursuant to which the Group would lease the common area and advertising space from the Remaining Powerlong Group and its associates and manage the common area and advertising space. Under such arrangement, the Group would pay an annual rent to the Remaining Powerlong Group and its associates, while the income generated from the common area and advertising space management would be received by the Group from independent third party customers and this would not constitute continuing connected transactions for the Group.

On 10 December 2019, the Company (for itself and on behalf of its subsidiaries) entered into a common area and advertising space management services framework agreement with Powerlong Holdings (for itself and on behalf of the other members of the Remaining Powerlong Group and its associates) (the “**2019 Common Area and Advertising Space Management Services Framework Agreement**”), pursuant to which the Group agreed to manage the common area and advertising space in the properties owned by the Remaining Powerlong Group and/or its associates and sublease to the independent third parties (the “**Common Area and Advertising Space Management Services**”), for a term commencing from the Listing Date to 31 December 2021. On 8 September 2021, the Company and Powerlong Holdings entered into a framework agreement in relation to the provision by the Group of Common Area and Advertising Space Management Services to the Remaining Powerlong Group and/or its associates (the “**2021 Common Area and Advertising Space Management Services Framework Agreement**”) to renew the 2019 Common Area and Advertising Space Management Services Framework Agreement, which was approved by the independent shareholders of the Company at the extraordinary general meeting held on 10 November 2021 and became effective on the same day, for a term commencing on the Effective Date and ending on 31 December 2023, both dates inclusive. The 2019 Common Area and Advertising Space Management Services Framework Agreement was terminated on the Effective Date.

On 15 September 2023, the Company and Powerlong Holdings entered into a framework agreement in relation to the provision by the Group of Common Area and Advertising Space Management Services to the Remaining Powerlong Group and/or its associates (the **“2023 Common Area and Advertising Space Management Services Framework Agreement”**) to renew the 2021 Common Area and Advertising Space Management Services Framework Agreement, for a term commencing from 1 January 2024 to 31 December 2026, both dates inclusive. For the years ended/ending 31 December 2024, 2025 and 2026, the annual caps for the transactions contemplated under the 2023 Common Area and Advertising Space Management Services Framework Agreement are RMB221.3 million, RMB255.1 million and RMB307.4 million, respectively. The annual rent paid/payable by the Group under the 2023 Common Area and Advertising Space Management Services Framework Agreement for the year ended 31 December 2025 was RMB175.7 million, within the annual cap of RMB255.1 million for the period.

Powerlong Holdings is a controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of (i) the 2019 Car Parking Lots Management Services Framework Agreement, 2022 Car Parking Lots Management Services Framework Agreement and 2023 Car Parking Lots Management Services Framework Agreement (the **“Car Parking Lots Management Services Framework Agreements”**); (ii) the 2019 Residential Property Management Services Framework Agreement, 2021 Residential Property Management Services Framework Agreement and 2023 Residential Property Management Services Framework Agreement (the **“Residential Property Management Services Framework Agreements”**); (iii) the 2019 Commercial Operational Services Framework Agreement, 2021 Commercial Operational Services Framework Agreement and 2023 Commercial Operational Services Framework Agreement (the **“Commercial Operational Services Framework Agreements”**); and (iv) the 2019 Common Area and Advertising Space Management Services Framework Agreement, 2021 Common Area and Advertising Space Management Services Framework Agreement and 2023 Common Area and Advertising Space Management Services Framework Agreement (the **“Common Area and Advertising Space Management Services Framework Agreements”**) constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

Further details of the 2019 Car Parking Lots Management Services Framework Agreement, the 2019 Residential Property Management Services Framework Agreement, the 2019 Commercial Operational Services Framework Agreement and the 2019 Common Area and Advertising Space Management Services Framework Agreement are set out under the section headed “Connected Transactions” in the Prospectus. Further details of the 2021 Residential Property Management Services Framework Agreement, the 2021 Commercial Operational Services Framework Agreement and the 2021 Common Area and Advertising Space Management Services Framework Agreement are set out in the circular of the Company dated 15 October 2021. Further details of the 2022 Car Parking Lots Management Services Framework Agreement are set out in the announcement of the Company dated 11 May 2022. Further details of the 2023 Car Parking Lots Management Services Framework Agreement, the 2023 Residential Property Management Services Framework Agreement, 2023 Commercial Operational Services Framework Agreement and the 2023 Common Area and Advertising Space Management Services Framework Agreement are set out in the circular of the Company dated 31 October 2023.

5. Digitalization Service Agreement

Background

On 20 November 2020, the Company entered into the digitalization service agreement (**“2020 Digitalization Service Agreement”**) with Yueshang Technology (Shanghai) Co., Ltd (**“Yueshang Technology”**), pursuant to which, Yueshang Technology agreed that it will provide digitalization technology services to the Group, including but not limited to building internet digital services, information systems and hardware deployment for the Group on a project-by-project basis, for a term commencing from 20 November 2020 and ending on 31 December 2022. As it was anticipated that the existing annual cap for the year ended 31 December 2022 for the procurement of Digitalization Services under the 2020 Digitalization Services Agreement would be insufficient to meet the business needs of the Group, on 11 May 2022, the relevant annual cap for the year ended 31 December 2022 was revised from RMB5.0 million to RMB15.0 million.

On 16 June 2023, the Company entered into the digitalization service agreement (**“2023 Digitalization Service Agreement”**) with Yueshang Technology (Shanghai) Co., Ltd (**“Yueshang Technology”**) to renew the 2020 Digitalization Service Agreement, pursuant to which, Yueshang Technology agreed that it will provide digitalization technology services to the Group, including but not limited to building internet digital services, information systems and hardware deployment for the Group on a project-by-project basis, for a term commencing from 16 June 2023 and ending on 31 December 2025, both dates inclusive. For the years ended 31 December 2023, 2024 and 2025, all of the annual cap for the transactions contemplated under the 2023 Digitalization Service Agreement is RMB15.0 million.

Report of the Directors

The annual fee paid/payable by the Group under the 2023 Digitalization Service Agreement for the year ended 31 December 2025 was RMB6.1 million, within the annual cap for the period of RMB15.0 million.

As at the date of the 2023 Digitalization Service Agreement, Yueshang Technology was owned as to 33.8% by Mr. Hoi Wa Fong, an executive Director of the Company and as to 8.3% by Shanghai Jiashang Digital Technology Company Limited, a wholly-owned subsidiary of the Company, with the remaining 57.9% interests being owned by other independent third parties. By virtue of Mr. Hoi Wa Fong's interest in Yueshang Technology, Yueshang Technology is therefore an associate of Mr. Hoi Wa Fong and hence a connected person at the listed issuer level of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Digitalization Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

On 18 December 2025, the Company and Yueshang Technology entered into a digitalization service agreement (the "**2026 Digitalization Service Agreement**") to renew the 2023 Digitalization Service Agreement, pursuant to which, Yueshang Technology agreed to provide digitalization technology services to the Group, including but not limited to building internet digital services, information systems and hardware deployment for the Group on a project-by-project basis, for a term commencing from 1 January 2026 to 31 December 2028, both dates inclusive. For the years ending 31 December 2026, 2027 and 2028, all the annual caps for the transactions contemplated under the 2026 Digitalization Service Agreement are RMB30.0 million.

Further details of the 2020 Digitalization Service Agreement, the 2023 Digitalization Service Agreement and the 2026 Digitalization Service Agreement are set out in the announcements of the Company dated 20 November 2020, 11 May 2022, 16 June 2023 and 18 December 2025.

Confirmation from Independent Non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the 2023 Car Parking Lots Management Services Framework Agreements, the 2023 Residential Property Management Services Framework Agreement, the 2023 Commercial Operational Services Framework Agreement, the 2023 Common Area and Advertising Space Management Services Framework Agreement and the 2023 Digitalization Service Agreement as mentioned above (collectively known as the "**Agreements**"), and confirmed the Agreements have been entered into:

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

Confirmations from the Company's Independent Auditor

In accordance with Rule 14A.56 of the Listing Rules, the Group has engaged its auditor (the "**Auditor**") 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 Auditor has issued their unqualified letter to the Board containing their findings and conclusions in respect of the aforesaid continuing connected transactions conducted by the Group for the year ended 31 December 2025 and have confirmed that nothing has come to their attention that causes them to believe that the continuing connected transactions mentioned above (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) have exceeded the respective annual caps.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2025 are set out in Note 35 to the consolidated financial statements.

The related party transactions set out in Note 35 to consolidated financial statements include related party transactions disclosed under accounting standards and related party transactions which also constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and the details of such continuing connected transactions have been disclosed in "Connected Transactions" above. The related party transactions in respect of the remuneration of directors and chief executives of the Company constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The related party transactions in respect of the remuneration of key management personnel (other than directors and chief executives) of the Company did not fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. Unless otherwise disclosed in this annual report, the Directors believe, that all other related party transactions set out in Note 35 to the consolidated financial statements do not fall within the definition of "Connected Transactions" or "Continuing Connected Transactions" under Chapter 14A of the Listing Rules (as the case may be). The Directors of the Company confirmed that they have complied with the disclosure requirements in Chapter 14A of the Listing Rules for the year ended 31 December 2025.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share award scheme of the Company as disclosed under "Share Award Scheme" below, at no time during the year ended 31 December 2025 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.

MAJOR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of property developers, property owners, property owners' associations and tenants.

For the year ended 31 December 2025, the revenue amounts from the Group's five largest customers accounted for 10.4% (2024: 10.7%) of the Group's total revenue and the revenue amount from the Group's single largest customer, the Remaining Powerlong Group, accounted for 9.0% (2024: 9.8%) of the Group's total revenue.

Other than the Remaining Powerlong Group and its joint ventures or associates which are real estate developers, the Group's customers during the year ended 31 December 2025 were all independent third parties.

Saved as disclosed above, none of the Directors, Shareholders, members of senior management, the close associates of the aforementioned or any other member of the Group who owned more than 5% of the Company's issued share capital held any interest in any of the Group's five largest customers other than the Remaining Powerlong Group. During the year ended 31 December 2025, other than the Remaining Powerlong Group, none of the Group's major suppliers was the Group's customer.

The Group's suppliers primarily consist of advertising and public relations companies, subcontractors and suppliers providing cleaning, gardening services, security, fire security, event planning and executing, and repair and maintenance services, property owners, owners of units located in the shopping streets and owners of certain shopping mall.

For the year ended 31 December 2025, the purchases amount from the Group's five largest suppliers accounted for 38.1% (2024: 35.7%) of the Group's total purchases and the purchases amount from the Group's single largest customer, the Remaining Powerlong Group, accounted for 18.6% (2024: 19.4%) of the Group's total purchases.

During the year ended 31 December 2025, other than the Remaining Powerlong Group, none of the Group's major suppliers was also the Group's customer and all of the Group's major suppliers were independent third parties. The Remaining Powerlong Group was also the Group's single largest customer during the year ended 31 December 2025.

Saved as disclosed above, none of the Directors, their close associates or any Shareholders who, to the knowledge of the Directors, owned more than 5% of the Company's issued share capital, had any interest in any of the Group's five largest suppliers other than the Remaining Powerlong Group.

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on pages 154 to 155 of this annual report. This summary does not form part of the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION FOR HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders of the Company by reason of their respective holding of the Company's securities. Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in the securities of the Company.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 11 to the consolidated financial statements.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Company and the Group during the year ended 31 December 2025 are set out in Note 14 to the consolidated financial statements.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended 31 December 2025 and details of the Shares issued during the year ended 31 December 2025 are set out in Note 25 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at 31 December 2025 and the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

DONATION

During the year ended 31 December 2025, the Group did not make any substantial charitable donations (31 December 2024: Nil).

DEBENTURE ISSUED

The Group did not issue any debenture during the year ended 31 December 2025 (31 December 2024: Nil).

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group during the year ended 31 December 2025 (31 December 2024: Nil).

RESULTS AND DIVIDENDS

The consolidation 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 75.

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025.

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been lapsed for the year ended 31 December 2025. The director liability insurance taken out by the Company for the Directors has lapsed on 1 April 2025. Despite reasonable efforts, the Company has yet to identify a suitable director liability insurance policy with reasonable premium while providing adequate cover to the Directors. The Company will continue to seek appropriate insurance cover in this regard.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group and of the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity and Note 26 to the consolidated financial statements.

As at 31 December 2025, the reserves of the Company available for distribution were approximately RMB835.7 million (2024: approximately RMB831.4 million).

BANK LOANS AND OTHER BORROWINGS

During the year ended 31 December 2025, the Group had no bank loans and other borrowings (31 December 2024: Nil).

DIRECTORS' SERVICE CONTRACTS

The Directors have renewed their service contracts (for executive Director) or letters of appointment (for non-executive Directors and independent non-executive Directors) with the Company for a term of 3 years with effect from 30 December 2025.

None of the Directors has any unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" and the related party transactions as set out in Note 35 to the consolidated financial statements, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, 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.

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 individual performance and comparable market statistics.

Details of the Directors' emoluments and emoluments of the four senior management personnel in the Group are set out in Note 37 and Note 8 to the consolidated financial statements.

For the year ended 31 December 2025, no emoluments were paid by the Group to any Director or any of the four senior management personnel as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive 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.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Other than disclosed in the sections headed "Continuing Connected Transactions", "Related Party Transactions" and "Management Discussion and Analysis" and Note 35 to the consolidated financial statements contained in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries (on one hand) and the Controlling Shareholders or Powerlong Holdings or any of its subsidiaries (on the other hand) 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 a Controlling Shareholder or Powerlong Holdings or any of its subsidiaries was entered into during the year ended 31 December 2025 or subsisted at the end of the year.

DEED OF NON-COMPETITION

On 10 December 2019, each of the Controlling Shareholders entered in to a deed of non-competition (the "**Deed of Non-competition**") in favor of the Company, pursuant to which each of the Controlling Shareholders has, among other things, irrevocably and unconditionally, jointly and severally given certain non-competition undertakings to the Company. Details of the Deed of Non-competition are set out in the section headed "Relationship with Controlling Shareholders – Deed of Non-Competition" in the Prospectus.

The Controlling Shareholders confirmed that they and their respective close associates had complied with the Deed of Non-competition for the year ended 31 December 2025. The independent non-executive Directors conducted a review of compliance with such undertakings for the year ended 31 December 2025 and were satisfied that the Deed of Non-competition had been fully complied with for the year ended 31 December 2025.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners. The Company provides a fair and safe workplace, promotes diversity to its staff, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions. Further details in relation to the development and remuneration of the Group's employees are set out in the paragraph headed "Human Resources" in this annual report.

The Group understands that it is important to maintain good relationship with customers and provide the products in a way that satisfies needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the products so that the Group can respond proactively. The Group has also established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to developing good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business. The Group reinforces business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

MANAGEMENT CONTRACTS

No contract, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2025.

AUDITOR

References are made to the announcements of the Company dated 24 March 2022, 3 September 2024 and 28 October 2024.

With effect from 24 March 2022, PricewaterhouseCoopers (“**PwC**”) resigned as the auditor of the Company and Elite Partners CPA Limited (“**Elite Partners**”) was appointed by the Board to fill the casual vacancy following the resignation of PwC. Elite Partners was reappointed as the auditor of the Company by the Shareholders at the annual general meetings of the Company held on 16 June 2023 and 16 June 2024, respectively.

With effect from 3 September 2024, Elite Partners resigned as the auditor of the Company. The Board resolved, having regard to the recommendation from the Audit Committee, to approve the appointment of KTC Partners as the new auditor of the Company with effect from 28 October 2024 to fill the casual vacancy following the resignation of Elite Partners. KTC Partners, which shall retire at the forthcoming annual general meeting of the Company, has audited the consolidated financial statements for the year ended 31 December 2025. The Company proposes to re-appoint KTC Partners as the auditor of the Company at the forthcoming annual general meeting of the Company.

Save as disclosed above, there was no change in the external auditor of the Company for the three years preceding the date of this annual report.

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.

ANNUAL GENERAL MEETING

The 2026 annual general meeting (the “**2026 AGM**”) will be held on Friday, 12 June 2026. Notice of the 2026 AGM and all other relevant documents will be published and despatched to shareholders of the Company in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 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 2026 AGM. In order to be eligible to attend and vote at the 2026 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 8 June 2026.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of our Directors or chief executives of our Company in the shares, underlying shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules were as follows:

(i) Long position in shares and underlying shares of the Company

Name of Director	Personal interests	Beneficiary of a trust	Number of ordinary shares		Total	Approximate percentage of holding ⁽¹⁾
			Interest of a controlled corporation	Other interests		
Mr. Hoi Wa Fong	–	–	17,442,000 ⁽²⁾	1,500,000 ⁽³⁾	18,942,000	2.95%

Notes:

- (1) The calculation of the percentages is based on the total number of issued shares of the Company (i.e. 642,900,000 shares) as at 31 December 2025.
- (2) Huihong Management (PTC) Limited ("**Huihong Management**"), the trustee of the Huihong Trust, is wholly-owned by Mr. Hoi Wa Fong for the purpose of a share award scheme (the "**Huihong Share Award Scheme**") to be adopted at least six months after the Listing. The Huihong Share Award Scheme was adopted by Huihong Management on 31 December 2020. Further details are set out in the announcement of the Company dated 31 December 2020. By virtue of the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares held by Huihong Management.
- (3) These shares are held by Sky Infinity Holdings Limited, which is wholly-owned by Sky Infinity Family Limited, which is in turn wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor. By virtue of the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares held under the Sky Infinity Trust.

(ii) Long position in shares of associated corporations

Name of Director	Name of associated corporation	Personal interests	Number of ordinary shares			Total	Approximate percentage of holding ⁽¹⁾
			Interests of spouse	Interests of a controlled corporation	Other interests		
Mr. Hoi Wa Fong	Powerlong Holdings	–	503,400	–	597,568,000 ⁽²⁾	598,071,400	14.44%
Ms. Hoi Wa Fan	Powerlong Holdings	61,470,000	–	226,623,000 ⁽³⁾	–	288,093,000	6.96%

Notes:

- (1) The calculation of the percentages is based on the total number of 4,140,403,000 shares in issue of Powerlong Holdings as at 31 December 2025.
- (2) These shares are held by Sky Infinity Holdings Limited, which is wholly-owned by Sky Infinity Family Limited, which is in turn wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor. Pursuant to the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares held under the Sky Infinity Trust.
- (3) These shares are held by Walong Holdings Limited and Mantong (HK) Trading Co., Ltd, which are wholly and beneficially owned by Ms. Hoi Wa Fan.

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

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

As at 31 December 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) and companies had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

(i) Long position in shares of the Company

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding ⁽¹⁾
Mr. Hoi Kin Hong ⁽²⁾	Settlor of a discretionary trust	405,000,000	63.00%
Powerlong Real Estate (BVI) Holdings Limited (" Powerlong BVI Holdings ") ⁽²⁾	Beneficial owner	405,000,000	63.00%
Powerlong Holdings ⁽²⁾	Interest in a controlled corporation	405,000,000	63.00%
Skylong Holdings Limited ⁽²⁾	Interest in a controlled corporation	405,000,000	63.00%
Skylong Family Limited ⁽²⁾	Interest in a controlled corporation	405,000,000	63.00%
TMF (Cayman) Ltd. ⁽²⁾	Trustee	405,000,000	63.00%
Ms. Wong Lai Chan ⁽³⁾	Interest of spouse	405,000,000	63.00%

Notes:

- The calculation of the percentages is based on the total number of issued shares of the Company (i.e. 642,900,000 shares) as at 31 December 2025.
- Powerlong BVI Holdings is wholly-owned by Powerlong Holdings, which is in turn owned as to approximately 44.15% by Skylong Holdings Limited, a company wholly-owned by Mr. Hoi Kin Hong, which is wholly-owned by Skylong Family Limited, which is in turn wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of The Skylong Trust, a discretionary trust of which Mr. Hoi Kin Hong is the settlor. By virtue of the SFO, each of Powerlong Holdings, Skylong Holdings Limited, Skylong Family Limited, TMF (Cayman) Ltd. and Mr. Hoi Kin Hong is deemed to be interested in the same number of shares in which Powerlong BVI Holdings is interested.
- Ms. Wong Lai Chan is the spouse of Mr. Hoi Kin Hong. By virtue of the SFO, Ms. Wong Lai Chan is deemed to be interested in the shares held by Mr. Hoi Kin Hong.

SHARE AWARD SCHEME

On 10 September 2020, the Board of the Company resolved to adopt a share award scheme (the “**Share Award Scheme**”). A summary of the major terms is set out below:

Purposes and Objectives

1. to recognise and motivate the contributions by certain eligible participants and to give incentives thereto in order to retain them for the continual operation and development of the Group;
2. to attract suitable personnel for further development of the Group; and
3. to provide certain eligible participants with a direct economic interest in attaining a long-term relationship between the Group and certain eligible participants.

Eligible Participants

The eligible participants of the Share Award Scheme (the “**Eligible Participants**”) include the following classes of persons:

- (a) any employee of the Group;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any entity in which any member of the Group holds any equity interest;
- (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any entity in which any member of the Group holds any equity interest; and
- (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

Administration

The Share Award Scheme shall be subject to the administration of the Board. In the event that a Selected Participant or his/her associate is a member of the Board, such person will abstain from voting on any approval by the Board of an award of Shares to such Selected Participant. The Board may, by passing resolutions, appoint any one or more senior management of the Company as authorised representative(s) to give instructions or notices to Tricor Trust (Hong Kong) Limited (the “**Trustee**”) on all matters in connection with the Share Award Scheme and other matters in the routine administration of the trust constituted by the trust deed which establishes the Share Award Scheme (the “**Trust Deed**”).

The Trustee will hold the Shares and the income derived therefrom in accordance with the rules of the Share Award Scheme (the “**Scheme Rules**”) and subject to the terms of the Trust Deed.

Duration

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on 10 September 2020. In accordance with the rules governing the Share Award Scheme and the terms of the Trust Deed, the Board resolved to terminate the Share Award Scheme, which took effect on 19 November 2025 (the “**Termination Date**”).

Maximum Limit

The Board shall not make any further grant of award of Shares under the Share Award Scheme such that the total number of Shares granted under the Share Award Scheme will exceed 5% of the total number of issued Shares as of 10 September 2020 (being 31,075,000 shares, representing approximately 4.83% of the issued share capital of the Company as at the date of this annual report).

The Board shall not instruct the Trustee to subscribe for and/or purchase any Shares for the purpose of the Share Award Scheme when such subscription and/or purchase will exceed 5% of the total number of issued Shares as of 10 September 2020.

There is no maximum entitlement to each awardee.

Report of the Directors

Operation

Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any Eligible Participant(s) for participation in the Share Award Scheme as a selected participant and determine the number of Shares to be awarded. The Trustee shall purchase from the open market or subscribe for the relevant number of Shares awarded and shall hold such Shares until they are vested in accordance with the terms of the Share Award Scheme.

Share Award to Directors and/or Connected Persons

Shares may be awarded to Eligible Participants, including the directors of the Company and/or its subsidiaries and/or connected persons of the Company. If Shares are awarded to any director of the Company and/or its subsidiaries and/or connected persons of the Company, such awards shall constitute connected transactions under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules.

Movement of Share Awards

On 24 November 2020, as the grant date, the Company resolved to award (the “**Award**”) an aggregate of 11,250,000 awarded shares (“**Awarded Shares**”) to Mr. Chen Deli. Such Awarded Shares were issued to the Trustee and held on trust for Mr. Chen Deli pursuant to the terms of the Trust Deed. The Awarded Shares shall be vested in two tranches: (1) 50% of the Awarded Shares shall be vested on 1 June 2023; and (2) 50% of the Awarded Shares shall be vested on 1 June 2025. These Awarded Shares shall be transferred at no consideration to Mr. Chen Deli after the relevant vesting conditions are fulfilled.

Further details of the Share Award Scheme and the Award are set out in the announcement of the Company dated 10 September 2020 and the circular of the Company dated 6 November 2020.

On 1 June 2023, 50% of the Awarded Shares (being 5,625,000 Shares) were vested in and transferred to Mr. Chen Deli at no consideration.

As Mr. Chen Deli resigned as executive Director and the chief executive officer of the Company and ceased to hold any position in the Group with effect from 1 November 2024, the remaining 50% of the Awarded Shares (being 5,625,000 Shares) did not vest in him and the Award thereof automatically lapsed on the same date. As there was no immediate plan to grant any further award of Shares to any Eligible Participants under the Share Award Scheme, the Company has instructed the Trustee to sell the unvested Awarded Shares on the open market, and the Trustee did not hold any Shares since 31 December 2024 and up to the Termination Date.

During the period from 1 January 2025 and up to the Termination Date, no awarded shares had been awarded, vested, cancelled or lapsed under the Share Award Scheme, and there were no unvested Awarded Shares under the Share Award Scheme.

As at 1 January 2025, the number of Shares available for grant under the Share Award Scheme was 25,450,000 Shares, representing approximately 3.96% of the Company’s issued share capital as at the date of this annual report. Upon termination of the Share Award Scheme becoming effective on the Termination Date, no Shares may be granted under the Share Award Scheme.

As no Awarded Shares were granted by the Company under the Share Award Scheme during the year ended 31 December 2025, the disclosure requirements under Rules 17.07(1)(c) and 17.07(3) of the Listing Rules are not applicable to the Company for the purpose of this annual report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company was incorporated in the Cayman Islands on 25 March 2019 with limited liability, and the shares of the Company were listed on the Main Board of the Stock Exchange on 30 December 2019.

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence in the Company and the Company's accountability. The Company therefore strives to attain and maintain effective corporate governance practices and procedures.

The Company has applied the principles of the CG Code and adopted the code provisions set out in part 2 of the CG Code as its own code to govern its corporate governance practices, and the CG Code (as amended from time to time) has been applicable to the Company with effect from the Listing Date.

The Directors are of the view that the Company had complied with all code provisions set out in the CG Code during the year ended 31 December 2025. Save and except for code provisions C.1.7 and C.2.1 of the CG Code.

As stipulated in code provision C.1.7 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. Please refer to the sub-section headed "Directors' and Senior Management's Liability Insurance and Indemnity" for details.

As stipulated in code provision C.2.1 of the CG Code, the roles of chairman and the chief executive should be separate and should not be performed by the same individual. Please refer to the sub-section headed "Chairman and Chief Executive Officer" for details.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company since the Listing Date.

Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the year ended 31 December 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares) during the year ended 31 December 2025. The Company did not have any treasury shares as at 31 December 2025.

USE OF NET PROCEEDS

(i) Use of Net Proceeds from Initial Public Offering and Over Allotment

The Company was listed on the main board of the Stock Exchange on 30 December 2019. The net proceeds from the Listing was approximately HK\$1,380.5 million (equivalent to approximately RMB1,236.9 million). On 22 January 2020, the Company exercised the over-allotment option and issued 22,500,000 shares at a price of HK\$9.5 per share. Discounting the transaction costs attributable to the exercise of the over-allotment option, net proceeds from the over-allotment amounted to approximately HK\$208.0 million (equivalent to approximately RMB184.6 million). The Company intends to apply the proceeds from the over-allotment in proportion to the use of proceeds stated in the Prospectus. The net proceeds from the initial public offering and the over allotment amounted to approximately HK\$1,588.5 million.

As set out in the Prospectus, the Company intended to use such proceeds for the purposes as follows: (i) approximately 50% of the proceeds will be used to pursue strategic acquisitions of other small to medium-sized commercial operational service providers in order to scale up its commercial operational service business and expand its commercial operational service portfolio; (ii) approximately 25% of the proceeds will be used to upgrade its information technology systems for digitization and smart operation and management, aiming to enhance consumer experience, improve the quality of services provided to the Group's tenants and improve operational efficiency; (iii) approximately 10% of the proceeds will be used to make equity investment in certain tenants with an aim of establishing close strategic cooperation with them; (iv) approximately 5% of the proceeds will be used for the renovation of retail commercial properties developed or owned by independent third parties under the asset-light business model; and (v) approximately 10% of the proceeds will be used for general business purpose and as working capital of the Group.

Report of the Directors

On 30 June 2023, the Company revised the use of unutilised Net IPO Proceeds. For details, please refer to the Company's announcement dated 30 June 2023.

As at 31 December 2025, the use of the Net IPO Proceeds together with the expected timeline of use are as follows:

	Intended use of the Net IPO Proceeds as stated in the Prospectus	Intended use of the Net IPO Proceeds subsequent to re-allocation	Actual use of the Net IPO Proceeds during the year ended 31 December 2025	Actual use of the Net IPO Proceeds as of 31 December 2025	Unutilised Net IPO Proceeds as of 31 December 2025	Expected timetable
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
(i) Pursue strategic acquisition of and investment in other commercial operational service providers	794.3	238.3	–	36.3	202.0	On or before 31 December 2026
(ii) Upgrade the information technology systems	397.1	238.3	8.7	96.4	141.9	On or before 31 December 2026
(iii) Make equity investment in certain tenants and suppliers	158.8	158.8	–	73.4	85.4	On or before 31 December 2026
(iv) Renovation of retail commercial properties developed or owned by independent third parties	79.5	79.5	0.4	34.5	45.0	On or before 31 December 2026
(v) General business purpose and working capital	158.8	158.8	–	158.8	–	–
(vi) Rental expenses for properties under sub-lease services model	–	714.8	37.4	108.9	605.9	On or before 31 December 2026
	1,588.5	1,588.5	46.5	508.3	1,080.2	

The remaining amount of unused proceeds is planned to be utilised by 31 December 2026 as revised. The Board will re-assess and revise the timeline of the planned usage of the Net IPO Proceeds where necessary.

As at 31 December 2025, the remaining Net IPO Proceeds that had not yet been utilised were deposited into licensed banks in Hong Kong and mainland China.

(ii) Use of Proceeds from Subscription

On 30 June 2023, the Company revised the use of the unutilised Subscription Proceeds. For details, please refer to the Company's announcement dated 30 June 2023.

The following table sets forth the status of use of the Subscription Proceeds as of 31 December 2025 together with the expected timeline of use:

	Original allocation of the Subscription Proceeds	Planned use of the Subscription Proceeds after re-allocation	Actual use of the Subscription Proceeds during the year ended 31 December 2025	Actual use of the Subscription Proceeds as of 31 December 2025	Unutilised Subscription Proceeds as of 31 December 2025	Expected timetable
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
(i) Personnel expansion: attract and recruit additional management personnel to the Group's projects and headquarters	82.0	82.0	–	82.0	–	–
(ii) Property leasing business: develop three leasing projects, namely Shaoxing Keqiao Powerlong Plaza (紹興柯橋寶龍廣場), Hangzhou Qingshan Lake Powerlong Plaza (杭州青山湖寶龍廣場) and Taizhou Duqiao Powerlong Plaza (台州杜橋寶龍廣場)	109.4	109.4	23.1	65.1	44.3	On or before 31 December 2026
(iii) IT infrastructure enhancement: create the "Precise Consumer Traffic System" which uses face recognition technology instead of traditional sensors to achieve accurate data collection and perform precise analysis on consumer traffic statistics	82.0	–	–	–	–	–
(iv) Upgrade the information technology systems	–	82.0	–	–	82.0	On or before 31 December 2026
	273.4	273.4	23.1	147.1	126.3	

As at 31 December 2025, the unutilised Subscription Proceeds were deposited into licensed banks in Hong Kong and mainland China.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. Details of the role and work performed by the Audit Committee are set out in the Corporate Governance Report contained in this annual report. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025 with the Company's management and considered that such statements have been prepared in accordance with applicable accounting standards and requirements with sufficient disclosure.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

As at the date of this annual report, no significant event has taken place subsequent to 31 December 2025.

On behalf of the Board

HOI Wa Fong

Chairman

Hong Kong, 30 March 2026

Independent Auditor's Report

For the year ended 31 December 2025



To the Shareholders of Powerlong Commercial Management Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Powerlong Commercial Management Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 75 to 153, 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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Independent Auditor's Report

For the year ended 31 December 2025

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Recoverability of operating lease and trade receivables and other receivables</p> <p>Refer to Note 4 'critical accounting estimates and judgements', Note 22 'operating lease and trade receivables' and Note 23 'prepayments and other receivables' to the consolidated financial statements.</p> <p>As at 31 December 2025, the gross amount of operating lease and trade receivables, and other receivables amounted to RMB855,007,000 and RMB233,300,000, respectively. Management has assessed the expected credit losses of operating lease and trade receivables and other receivables with loss allowance of RMB433,875,000 and RMB124,194,000 made against operating lease and trade receivables and other receivables as at 31 December 2025 accordingly.</p> <p>For assessing the recoverability of the operating lease and trade receivables, the Group applies the simplified approach permitted by HKFRS 9 to measure the lifetime expected credit losses ("ECL") for operating lease and trade receivables. In estimating ECL, the Group calculated the historical default rate percentage based on the repayment history and ageing profile of the Group's debtors grouped based on shared credit risk characteristics, with adjustments to reflect existing market conditions and forward-looking factors. For assessing the recoverability of the other receivables, the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.</p> <p>We identified the recoverability of operating lease and trade receivables and other receivables as a key audit matter due to the significance of the balance to the consolidated financial statements, combined with the significant degree of estimations made by management in evaluating the expected credit losses of the operating lease and trade receivables and other receivables.</p>	<p>Our major audit procedures in relation to the assessment of recoverability of operating lease and trade receivables and other receivables included the following:</p> <ul style="list-style-type: none">a) Obtained an understanding of the management's assessment process of the recoverability of operating lease and trade receivables and other receivables;b) Assessed the appropriateness of the credit loss provisioning methodology adopted by management and the reasonableness of the key assumptions in estimating the ECL rate with reference to the repayment history of the Group's debtors, which we checked on a sample basis to the repayment records, and movements of the ageing of operating lease and trade receivables and other receivables;c) Tested, on a sample basis, the accuracy of the ageing analysis of operating lease and trade receivables as at 31 December 2025 prepared by management, to sales invoices or demand notes, receipt records and other relevant documents;d) Checked the mathematical accuracy of the calculation of the loss allowance; ande) Tested, on a sample basis, the subsequent settlement of operating lease and trade receivables and other receivables to cash receipts and the related supporting documentation. <p>Based on the procedures performed, we found that the key judgements and estimates made by management in relation to the assessment of the recoverability of operating lease and trade receivables and other receivables were supported by available evidences.</p>

For the year ended 31 December 2025

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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.

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

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

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

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism 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.

Independent Auditor's Report

For the year ended 31 December 2025

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

- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

KTC Partners CPA Limited

Certified Public Accountants (Practising)

Ng Yan Chak

Audit Engagement Director

Practising Certificate number: P08328

Hong Kong, 30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	6	2,607,608	2,617,305
Cost of services	7	(1,793,912)	(1,783,353)
Gross profit		813,696	833,952
Selling and marketing expenses	7	(110,212)	(128,476)
Administrative expenses	7	(281,154)	(174,375)
Other income and other losses – net	9	44,293	35,894
Gain on early termination of lease	16	86,185	–
Gain on disposal of a subsidiary	33	47,666	–
Loss on de-consolidation of a subsidiary	33	(1,113)	–
Provision for claim	30	(38,187)	–
Impairment losses on financial assets – net	3.1.2	(232,429)	(219,441)
Impairment losses on investment properties	16	(2,210)	–
Impairment loss on investment in an associate	19	(12,388)	–
Investment gain/(loss)-net	15	3,038	(629)
Operating profit		317,185	346,925
Finance costs	10	(33,711)	(70,673)
Finance income	10	38,633	51,477
Finance income/(costs) – net		4,922	(19,196)
Share of results of joint ventures	18	(14)	35
Share of results of associates	19	3,134	3,176
Profit before income tax		325,227	330,940
Income tax expenses	12	(93,252)	(106,555)
Profit and total comprehensive income for the year		231,975	224,385
Profit and total comprehensive income attributable to:			
– Shareholders of the Company		233,516	216,016
– Non-controlling interests		(1,541)	8,369
		231,975	224,385
Earnings per share for profit attributable to shareholders of the Company for the year (expressed in RMB cents per share)			
– Basic and diluted earnings per share	13	36.32	33.89

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

Consolidated Statement of Financial Position

		As at 31 December	
	Notes	2025	2024
		RMB'000	RMB'000
Assets			
Non-current assets			
Property and equipment	14	30,768	45,307
Financial assets at fair value through profit or loss	15	9,999	9,261
Investment properties	16	463,244	972,085
Deferred income tax assets	31	187,903	158,198
Goodwill	17	20,640	20,640
Intangible assets	17	3,058	4,281
Investments in joint ventures	18	993	807
Investments in associates	19	41,605	50,859
		758,210	1,261,438
Current assets			
Inventories	20	9,001	10,620
Operating lease and trade receivables	22	421,132	413,173
Prepayments and other receivables	23	148,885	223,583
Current income tax recoverable		134	134
Cash and bank balances	24	4,478,046	4,131,562
		5,057,198	4,779,072
Total assets		5,815,408	6,040,510
Equity			
Share capital and share premium	25	1,014,085	1,004,400
Other reserves	26	23,617	29,869
Retained earnings		2,415,415	2,181,899
Capital and reserves attributable to shareholders of the Company		3,453,117	3,216,168
Non-controlling interests		6,899	8,640
Total equity		3,460,016	3,224,808

Consolidated Statement of Financial Position

	Notes	As at 31 December	
		2025	2024
		RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	31	1,281	722
Lease liabilities	29(a)	524,152	1,187,789
		525,433	1,188,511
Current liabilities			
Trade and other payables	30	1,168,201	1,028,913
Advances from lessees		33,968	37,828
Current income tax liabilities		262,599	203,259
Lease liabilities	29(a)	81,671	82,909
Contract liabilities	6(b)	283,520	274,282
		1,829,959	1,627,191
Total liabilities		2,355,392	2,815,702
Total equity and liabilities		5,815,408	6,040,510

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

The consolidated financial statements on pages 75 to 153 were approved and authorised for issue by the Board of Directors on 30 March 2026 and were signed on its behalf by:

Hoi Wa Fong
Director

Hoi Wa Lam
Director

Consolidated Statement of Changes in Equity

	Attributable to equity shareholders of the Company							
	Share capital RMB'000 (Note 25)	Share premium RMB'000 (Note 25)	Shares held for shares		Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
			award scheme RMB'000	Other reserves RMB'000 (Note 26)				
Balance at 1 January 2024	5,747	961,459	(44)	120,223	1,965,883	3,053,268	4,271	3,057,539
Comprehensive income								
Profit for the year	–	–	–	–	216,016	216,016	8,369	224,385
Total comprehensive income	–	–	–	–	216,016	216,016	8,369	224,385
Transactions with owners								
Shares Award Scheme and Share Incentive Scheme								
– value of employee services	–	–	–	(65,181)	–	(65,181)	–	(65,181)
Issue of ordinary shares	–	12,021	44	–	–	12,065	–	12,065
Dividends	–	–	–	–	–	–	(4,000)	(4,000)
Vesting of awarded shares	–	25,173	–	(25,173)	–	–	–	–
Balance at 31 December 2024	5,747	998,653	–	29,869	2,181,899	3,216,168	8,640	3,224,808
Balance at 1 January 2025	5,747	998,653	–	29,869	2,181,899	3,216,168	8,640	3,224,808
Comprehensive income								
Profit for the year	–	–	–	–	233,516	233,516	(1,541)	231,975
Total comprehensive income	–	–	–	–	233,516	233,516	(1,541)	231,975
Transactions with owners								
Derecognition of non-controlling interests on disposal/ de-consolidation of subsidiaries (Note 33)	–	–	–	–	–	–	8,420	8,420
Shares Award Scheme and Share Incentive Scheme								
– value of employee services (Note 27)	–	–	–	3,433	–	3,433	–	3,433
Dividends	–	–	–	–	–	–	(8,620)	(8,620)
Vesting of awarded shares	–	9,685	–	(9,685)	–	–	–	–
Balance at 31 December 2025	5,747	1,008,338	–	23,617	2,415,415	3,453,117	6,899	3,460,016

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

Consolidated Statement of Cash Flows

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows of operating activities			
Cash generated from operations	32	487,900	474,761
PRC corporate income tax paid		(63,058)	(108,076)
Net cash generated from operating activities		424,842	366,685
Cash flows of investing activities			
Purchases of property and equipment		(3,850)	(11,475)
Net proceeds from disposals of property and equipment		1,354	108
Purchases of intangible assets		(1,213)	(296)
Net proceeds from disposals of intangible assets		370	148
Deposits (paid to)/refunded from a third party for the exclusive sales right for sales of shop		(5,071)	(3,907)
Dividends from associates	19	–	6,833
Investment in a joint ventures	18	(200)	–
Net proceeds from disposals of financial assets at fair value through profit or loss		2,300	–
Disposal of a subsidiary	33(a)	(6,413)	–
De-consolidation of a subsidiary	33(b)	(3,216)	–
Net cash used in investing activities		(15,939)	(8,589)
Cash flows of financing activities			
Proceeds from issues of shares and other equity securities		–	12,065
Dividends paid to non-controlling interests		(8,620)	(4,000)
Principal elements and interest expenses of lease payments	29(b)	(71,399)	(120,857)
Net cash used in financing activities		(80,019)	(112,792)
Increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of year		4,108,793	3,866,722
Foreign exchanges on cash and cash equivalents		(323)	(3,233)
Cash and cash equivalents at end of year	24	4,437,354	4,108,793

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

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Powerlong Commercial Management Holdings Limited (the “Company”) was established in the Cayman Islands on 25 March 2019 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 Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (the “Group”) are primarily engaged in the holding of investment properties to generate rental income and the provision of commercial operational services and residential property management services in the People’s Republic of China (the “PRC”).

The Company was listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 December 2019.

The Company’s direct holding company is Powerlong Real Estate (BVI) Holdings Limited (“Powerlong BVI Holdings”). The Company’s indirect holding company is Powerlong Real Estate Holdings Limited (“Powerlong Holdings”) whose shares have been listed on the Main Board of the Stock Exchange since 14 October 2009. As at 31 December 2025, Mr. Hoi Kin Hong (“Mr. Hoi”) held approximate 44.15% of interests in the issued share capital of Powerlong Holdings. In the opinion of the directors of the Company, the ultimate holding company of the Group is Skylong Family Limited, a company incorporated in the British Virgin Islands and the ultimate controlling party of the Group is Mr. Hoi.

Powerlong Holdings and its subsidiaries exclusive of the Group are collectively referred to as the “Remaining Powerlong Group” in these consolidated financial statements.

These consolidated financial statements are presented in thousand Renminbi (“RMB’000”), which is the functional currency of the Company.

2 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied in all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Statement of the compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, include applicable disclosures required by the Rules Governing the Listing of securities on the Stock Exchange (“Listing Rules”) and Hong Kong Companies Ordinance (“HKCO”).

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

(iii) Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

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

Amendments to HKAS 21 Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of preparation (Continued)

(iv) New and Amendments to HKFRS Accounting Standards that are not mandatorily for the current year

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³

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

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

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 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 HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 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.

2.2 Subsidiaries

2.2.1 Consolidation

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

(a) *Business combinations not under common control*

The Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations not under common control (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured at fair value with changes in fair value recognised in profit or loss.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

2.3 Associates

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

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

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.3 Associates (Continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.12.

2.4 Joint arrangements

The Group has applied HKFRS 11 to a joint arrangement. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are accounted for using the equity method.

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

Where the Group's share of losses in a joint venture equal or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.12.

2.5 Segment reporting

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

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within "Other income and other losses – net" in the consolidated statements of profit or loss and other comprehensive income.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.7 Property and equipment

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

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

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

– Motor vehicles	5-8 years
– Furniture, fitting and equipment	5 years
– Leasehold improvements	5-20 years

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other income and other losses – net" in the consolidated statements of profit or loss and other comprehensive income.

2.8 Investment properties

Investment properties, representing commercial properties held under leases, are held for rental yields and are not occupied by the Group. The Group measured its investment properties at cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment loss. Depreciation is calculated using the straight-line method to allocate their cost over their lease term varying from 2 to 20 years.

2.9 Intangible assets

(a) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill is not amortised but its impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGUs containing the goodwill is compared with the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.9 Intangible assets (Continued)

(b) Customer contracts

Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over the expected life of 2 to 10 years for the customer contracts.

(c) Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (2 to 10 years). Costs associated with maintaining computer software programs are recognised as an expense as incurred.

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Financial assets

2.11.1 Classification

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

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

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

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.11 Financial assets (Continued)

2.11.2 Recognition and measurement

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in 'other gains' in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/losses, net in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

2.11.3 Offsetting financial instruments

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.12 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1.2 details how the Group determines whether there has been a significant increase in credit risk.

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

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

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

2.13 Inventories

Inventories comprise merchandise purchased for resale and consumables and are stated at the lower of cost and net realizable value. The cost of merchandise is determined on the weighted average basis. Net realizable value is determined based on estimated selling prices less any estimated costs to be incurred to disposal.

2.14 Operating lease and trade and other receivables

Operating lease receivables are amounts due from tenants in relation to the operating leases and trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of operating lease and trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Operating lease and trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 22 and Note 23 for further information about the Group's accounting for operating lease and trade and other receivables and Note 3.1.2 for a description of the Group's impairment policies.

2.15 Cash and cash equivalents and restricted cash

Cash and cash equivalents include cash in hand and at banks and deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less.

Bank deposits which are restricted to use are included in 'Restricted cash'. Restricted cash are excluded from cash and cash equivalents in the consolidated statement of cash flows.

2.16 Share capital

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

Where any group entity purchases the Company's shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, and is included in equity attributable to owners of the Company.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within 12 months or less. If not, they are presented as non-current liabilities.

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

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statements of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.18 Current and deferred income tax (Continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(a) Pension obligations

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

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

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

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

(c) Termination benefits

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

(d) Employee leave entitlements

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 balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.20 Share-based payments

Share-based compensation benefits are provided to employees via the employee share incentive scheme and share award scheme.

Equity-settled share-based payment transactions are share-based payment arrangement in which the Group received goods or services as consideration for its own equity instrument. The Group might receive goods or services but have no obligation to settle the transaction with the supplier, as the settlement will be made by a shareholder or another group entity, this transaction is also equity-settled share-based payment transaction.

For an equity-settled share-based payment transaction, the fair value of equity instrument granted is recognised as an employee benefits expense with a corresponding increase in equity.

During the vesting periods, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest based on the vesting conditions at the balance sheet date. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to employee share-based compensation expense in the current year, with a corresponding adjustment to the employee share-based capital reserve.

2.21 Provisions and contingent liabilities

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

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

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

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.22 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax.

Depending on the terms of the contract and the laws that apply to the contract, control of the services may be transferred over time or at a point in time. Control of the services is transferred over time if:

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

If control of the services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the services.

The Group is principally engaged in generating of rental income from investment properties and provision of commercial operational services and residential property management services.

(a) Commercial operational services

- (i) The Group enters into commercial operational service contracts with property developers or owners of shopping malls, pursuant to which the Group provides the following services:

- market research and positioning, tenant sourcing and opening preparation services during the preparation stage;
- commercial operational services during the operation stage, including tenant management and rent collection services, other value-added services, mainly including car parks, common areas and advertising space operation and management services.

Revenue from rendering of market research and positioning services is recognised on a point in time basis when the relevant market research and positioning reports were delivered and accepted by the property developers or owners customers.

Revenue in respect of provision of tenant sourcing and opening preparation services is recognised on an over time basis over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The Group recognizes revenue income based on the delivery time nodes and delivery results agreed in the contract.

For tenant management and rent collection services, and other value-added services, revenue is recognised on over time basis. The Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

When the Group leases car parks, common areas and advertising space of the shopping malls from property owner by paying a yearly rent, and operate the leased car parks, common areas and advertising space as principal, revenue are recognised on a gross basis and on over time basis when the related service is rendered.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.22 Revenue recognition (Continued)

(a) Commercial operational services (Continued)

- (ii) The Group enters into commercial property management service contracts with tenants, pursuant to which the Group provides commercial property management services including provision of security, gardening, cleaning, repair and maintenance services for the commercial properties.

For provision of commercial property management services at the operation stage to tenants at the operation stage of the shopping malls, the Group recognises the fee received or receivable as its revenue on over time basis, in the period in which the customer simultaneously receives and consumes the benefits provided by the services performed by the Group and all the related management costs as its cost of services.

The Group recognizes commercial property management services income from tenants of the shopping malls monthly or regularly based on the benefits provided by the services performed by the Group, and recognizes the corresponding service costs.

- (iii) The Group operates a chain of retail stores selling inventory. Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

(b) Residential property management services

The Group provides residential property management services in relation to residential properties, serviced apartments and office buildings, including pre-sale management services and other value-added services to property developers, property owners and residents.

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

For residential property management services income from properties managed under lump sum basis, where the Group acts as principal, the Group is entitled to revenue at the value of residential property management services fee received or receivable. For residential property management service income from properties managed under commission basis, where the Group acts as an agent of the property owner, the Group is entitled to revenue at a pre-determined percentage of amount of the property management fee received or receivable by the properties.

Pre-sale management services mainly include cleaning, greening, repair and maintenance services to property developers at the pre-delivery stage. The Group agrees the price for each service with the customers upfront and issues the monthly bill to the customers which varies based on the actual level of service completed in that month.

For other value-added services including resident services, community public areas management and operation and advertisement, revenue is recognised when the related other value-added services are rendered. Payment of the transaction is due immediately when the other value-added services are rendered to the customer.

If contracts involve the sale of multiple services, the transaction price allocated to each performance obligation are 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 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.22 Revenue recognition (Continued)

(c) Presentation of assets and liabilities related to contracts with customers

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

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

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

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

Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised. The Group applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense immediately if the amortisation period is less than 12 months.

2.23 Interest income

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

2.24 Leases

The Group as a lessee

The Group leases various properties, including commercial properties and car parks. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purpose.

Lease are recognised as a right-of-use asset (included in "Investment Properties" (Note 16)) and corresponding liability at the date of which the lease asset for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period. The right-of-use asset is depreciated over the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include:

- (a) the net present value of the fixed payments (including in-substance fixed payments);
- (b) variable lease payments that are based on an index or a rate; and
- (c) payments of penalties for terminating of the lease, if the lease term reflects the Group exercising that option.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.24 Leases (Continued)

The Group as a lessee (Continued)

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

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

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date less any lease incentives received;
- (c) any initial direct cost; and
- (d) restoration costs.

Payments associated with short-term leases with lease term of 12 months or less and leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss.

Short-term leases

The Group applies the short-term lease recognition exemption to lease of car parks, common areas and advertising spaces that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Variable lease payments

Variable lease payments based on an index or a rate are initially measured using the index or the rate at the commencement date. The Group do not forecast future changes of the index/rate; these changes are taken into account when the lease payments change. Variable lease payments that are not based on an index or a rate are not part of the lease liability, but they are recognised in the consolidated statements of profit or loss and other comprehensive income when the event or conditions that triggers those payments occurs.

Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable upon fulfilment of certain notice period. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise such options. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

The Group as a lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the terms of the relevant lease. Initial direct costs with more than a significant amount are capitalised when incurred, and are recognised in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred.

The lease receivable under lease arrangements are recognised as "operating lease receivable" in the consolidated statement of financial position.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.24 Leases (Continued)

The Group as a sublease lessor

Sub-lease is a transaction for which an underlying asset is re-leased by a lessee ("sublease lessor") to a third party, and the lease ("head lease") between the head lessor and lessee remains in effect. In classifying a sublease, a sublease lessor shall classify the sublease as a finance lease or an operating lease as follows:

- (a) If the head lease is a short-term lease that the entity, as a lessee, has accounted for the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, the sublease shall be classified as an operating lease.
- (b) Otherwise, the sublease shall be classified by referenced to the right-of-use asset arising from the head lease as finance lease or operating lease.

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2.27 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(b) Diluted earnings per share

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.28 Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(i) Foreign exchange risk

The Group's businesses are principally conducted in RMB. As at 31 December 2025 and 2024, major non-RMB assets were cash and bank balances which were denominated in either Hong Kong dollar ("HK\$") or US dollar ("US\$"). Fluctuation of the exchange rate of RMB against HK\$ or US\$ could affect the Group's results of operations. The Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as at 31 December 2025 and 2024 are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
– HK\$	13,118	21,503
– US\$	77,329	12
	90,447	21,515

As at 31 December 2025, if RMB had strengthened/weakened by 5%, against HK\$ with all other variable held constant, post-tax profit and equity for the year would have been RMB608,000 lower/higher (2024: RMB1,075,000 lower/higher), mainly as a result of net foreign exchange gains/losses on translation of HK\$ denominated cash and bank balances.

As at 31 December 2025, if RMB had strengthened/weakened by 5%, against US\$ with all other variable held constant, post-tax profit and equity for the year would have been RMB3,866,000 lower/higher (2024: RMB1,000 lower/higher), mainly as a result of net foreign exchange gains/losses on translation of US\$ denominated cash and bank balances.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk

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

(i) *Cash deposits at banks*

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(ii) *Operating lease and trade receivables*

Operating lease and trade receivables have been assessed for impairment on a collective basis based on different credit risk characteristics. They are categorised as follows for assessment purpose:

Group 1 – Operating lease and trade receivables due from related parties

Group 2 – Operating lease and trade receivables due from third parties

For Group 1, operating lease and trade receivables due from related parties, the Group has large number of customers and there was no concentration of credit risk. Thus, the expected loss rate for Group 1 was 58.48% (31 December 2024: 41.86%), a loss allowance of RMB314,343,000 therefrom was made at 31 December 2025 (31 December 2024: RMB155,640,000).

For Group 2, the Group applies the simplified approach to providing for expected credit losses ("ECL") prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for operating lease and trade receivables due from third parties. To measure the ECL, operating lease and trade receivables due from third parties, the Group calculated the historical default rate percentage based on the repayment history and ageing profile of the Group's debtors grouped based on shared credit risk characteristics. The ECL also incorporate forward-looking information. Thus, a loss allowance of RMB119,532,000 therefrom was made at 31 December 2025 (31 December 2024: RMB81,547,000).

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(iii) Other receivables

Other receivables have been assessed for impairment on a collective basis based on different credit risk characteristics. They are categorised as follows for assessment purpose:

Group 1 – Other receivables due from related parties

Group 2 – Other receivables due from third parties

For Group 1, other receivables due from related parties, the Group has large number of customers and there was no concentration of credit risk. Thus, the expected loss rate for Group 1 was 58.48% (31 December 2024: 41.86%), a loss allowance of RMB123,315,000 therefrom was made at 31 December 2025 (31 December 2024: RMB87,780,000).

For Group 2, the Group applies the simplified approach to providing for expected credit losses (“ECL”) prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for other receivables due from third parties. To measure the ECL, other receivables due from third parties have been grouped based on shared credit risk characteristics and the days past due. The ECL also incorporate forward-looking information. Thus, a loss allowance of RMB879,000 therefrom was made at 31 December 2025 (31 December 2024: RMB673,000).

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

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower’s ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behaviour of the borrowers, including changes in the payment status of borrowers and changes in the operating results of the borrowers.

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

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Operating lease and Trade receivables	Deposits and other receivables except prepayments
Performing	The counterparty has a low to moderate risk of default and does not have any past-due amounts	Lifetime ECL – not-credit impaired amounts	12m ECL
Underperforming	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not-credit impaired	Lifetime ECL – not-credit impaired
Non-performing	There is evidence indicating the asset is credit impaired	Lifetime ECL – credit impaired	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount 2025 RMB'000	Gross carrying amount 2024 RMB'000
Financial assets at amortised cost: operating lease and trade receivables				
– related parties	Underperforming	Lifetime ECL	537,525	371,819
– third parties	Note (a)	Lifetime ECL	317,482	278,541
Deposits and other receivables, excluding prepayments				
– related parties	Underperforming	Lifetime ECL	210,867	209,704
– third parties	Note (a)	Lifetime ECL	22,433	40,197
Cash and bank balances	N/A	12m ECL	4,478,046	4,131,562

Note:

- (a) For operating lease and trade receivables, and deposits and other receivables, excluding prepayments due from third parties, the Group applies the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

As at the respective balance sheet date, the loss allowance provision for operating lease and trade receivables due from related parties was determined as follows. The expected credit losses below also incorporated forward-looking information.

	As at 31 December 2025		
	Expected loss rate	Gross carrying amount (RMB'000)	Loss allowance provision (RMB'000)
Operating lease and trade receivables			
Related parties (Note 22)	58.48%	537,525	(314,343)

	As at 31 December 2024		
	Expected loss rate	Gross carrying amount (RMB'000)	Loss allowance provision (RMB'000)
Operating lease and trade receivables			
Related parties (Note 22)	41.86%	371,819	(155,640)

As at the respective balance sheet date, the loss allowance provision for operating lease and trade receivables due from third parties was determined as follows. The expected credit losses below also incorporated forward-looking information.

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Operating lease and trade receivables (excluding trade receivables from related parties)					
At 31 December 2025					
Expected loss rate	11.93%	29.39%	41.41%	100.00%	
Gross carrying amount (RMB'000)	125,221	75,456	58,694	58,111	317,482
Loss allowance provision (RMB'000)	(14,943)	(22,175)	(24,303)	(58,111)	(119,532)
At 31 December 2024					
Expected loss rate	9.84%	25.91%	36.35%	100.00%	
Gross carrying amount (RMB'000)	141,537	65,227	33,085	38,692	278,541
Loss allowance provision (RMB'000)	(13,929)	(16,899)	(12,027)	(38,692)	(81,547)

3 FINANCIAL RISK MANAGEMENT (Continued)**3.1 Financial risk factors** (Continued)**3.1.2 Credit risk** (Continued)

As at the respective balance sheet date, the loss allowance provision for other receivables due from related parties was determined as follows. The expected credit losses below also incorporated forward-looking information.

	As at 31 December 2025		
	Expected loss rate	Gross carrying amount (RMB'000)	Loss allowance provision (RMB'000)
Other receivables			
Related parties	58.48%	210,867	(123,315)

	As at 31 December 2024		
	Expected loss rate	Gross carrying amount (RMB'000)	Loss allowance provision (RMB'000)
Other receivables			
Related parties	41.86%	209,704	(87,780)

As at the respective balance sheet date, the loss allowance provision for other receivables due from third parties was determined as follows. The expected credit losses below also incorporated forward-looking information.

	Up to	1 to	2 to	Over	Total
	1 year	2 years	3 years	3 years	
Other receivables (excluding other receivables from related parties)					
At 31 December 2025					
Expected loss rate	1.00%	39.79%	91.63%	100.00%	
Gross carrying amount (RMB'000)	21,016	1,214	203	–	22,433
Loss allowance provision (RMB'000)	(210)	(483)	(186)	–	(879)
At 31 December 2024					
Expected loss rate	0.99%	39.90%	91.74%	100.00%	
Gross carrying amount (RMB'000)	39,776	203	218	–	40,197
Loss allowance provision (RMB'000)	(392)	(81)	(200)	–	(673)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

As at the respective balance sheet date, the loss allowance provision for operating lease and trade and other receivables (excluding prepayments and interest receivable from bank deposits) reconciled to the opening loss allowance for that provision as follows:

	Operating lease and trade receivables RMB'000	Other receivables * RMB'000	Total RMB'000
At 1 January 2025	237,187	88,453	325,640
Provision for loss allowance recognised in profit or loss	196,688	35,741	232,429
At 31 December 2025	433,875	124,194	558,069

	Operating lease and trade receivables RMB'000	Other receivables * RMB'000	Total RMB'000
At 1 January 2024	78,288	27,911	106,199
Provision for loss allowance recognised in profit or loss	158,899	60,542	219,441
At 31 December 2024	237,187	88,453	325,640

* Excluding prepayments and interest receivables from bank deposits.

As at 31 December 2025, the gross carrying amount of operating lease and trade and other receivables (excluding prepayments and interest receivables from bank deposits prepayments) was RMB1,088,307,000 (2024: RMB900,261,000) and thus the maximum exposure to loss was RMB530,238,000 (2024: RMB574,621,000).

The provision for loss allowance rose substantially during the year, driven by a sharp increase in expected loss rates and a higher gross carrying amount of operating and trade receivables due from related parties.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk

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

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At 31 December 2025						
Lease liabilities	112,464	59,448	150,441	558,160	880,513	605,823
Trade and other payables*	1,062,907	–	–	–	1,062,907	1,062,907
	1,175,371	59,448	150,441	558,160	1,943,420	1,668,730
At 31 December 2024						
Lease liabilities	150,913	129,894	311,357	1,357,580	1,949,744	1,270,698
Trade and other payables*	943,203	–	–	–	943,203	943,203
	1,094,116	129,894	311,357	1,357,580	2,892,947	2,213,901

* Excluding accrued payroll and other tax payables.

3.2 Capital management

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

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

The Group monitors capital on the basis of the liability-asset ratio. This ratio is calculated as total liabilities divided by total assets.

As at 31 December 2025 and 31 December 2024, liability-asset ratio of the Group is as follows:

	As at 31 December	
	2025	2024
Liability-asset ratio	40.5%	46.6%

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

(a) Financial assets and liabilities

The Group's financial instruments recognised in the consolidated statement of financial position are mainly operating lease and trade receivables, other receivables, financial assets at fair value through profit or loss and financial liabilities carried at amortised cost. The carrying value less impairment provision of trade and other receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of financial instruments that are not traded in an active market is assessed by the Group based on valuations using market comparable method determined by independent and professional qualified valuer.

The different levels have been defined as follows:

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

As at 31 December 2025, the Group had no financial instruments in level 1 and level 2 (2024: same).

The following table presents the Group's financial assets measured and recognised at fair value at 31 December 2025 on a recurring basis:

	At 31 December 2025 Level 3 RMB'000	At 31 December 2024 Level 3 RMB'000
Financial assets at fair value through profit or loss		
– Contingent consideration (Note (a))	3,047	–
– Investment Fund (Note (b))	6,952	9,261
Total	9,999	9,261

As at 31 December 2025, the Group's financial assets at fair value through profit or loss were classified as Level 3. There were no transfers between levels during the year ended 31 December 2025 (2024: same).

The Group manages the valuation of level 3 instruments for financial reporting purpose on a case-by-case basis. At least once every reporting year, the Group would assess the fair value of the Group's level 3 instruments by using valuation techniques.

The valuation of level 3 instruments included contingent consideration and investment funds. As these instruments are not traded in an active market.

Notes:

- (a) The fair value of contingent consideration is determined using valuation techniques with reference to Monte Carlo simulation analysis, and the significant unobservable input is the simulated revenue of Zhejiang Xinghui Commercial Management Company Limited ("Zhejiang Xinghui"). If the simulated revenue of Zhejiang Xinghui had been 5% higher/lower, the profit before income tax for the year ended 31 December 2025 would have been approximately RMB152,000 higher/lower.
- (b) The fair value of the invested fund is determined using valuation techniques with reference to discounted cash flow, and the significant unobservable input is the expected discount rate. Relationship of unobservable inputs to fair value: the lower of the expected discount rate adopted in the discounted cash flow, the higher of the expected rate of return and the fair value. If the expected discount rate had been 1% higher/lower, the profit before income tax for the year ended 31 December 2025 would have been approximately RMB70,000 higher/lower (2024: RMB93,000 higher/lower).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes 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 set out below.

(a) Loss allowance for doubtful receivables

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

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and doubtful debt expenses in the periods in which such estimate has been changed. For details of the key assumptions and inputs used, see Note 3.1.2 above.

(b) Measurement of right-of-use assets and lease liabilities

The Group leases various commercial properties and car parks. Assets and liabilities arising from a lease are initially measured on a present value basis.

Some of the Group's leases contain extension and termination options. In determining the lease terms, management considers facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. If the actual lease period or the cash flow from exercising extension and termination options is significantly different from management's estimate, the carrying amounts of the right-of-use assets which were included in investment properties and lease liabilities will be affected.

(c) Current and deferred income tax

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

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

(d) Impairment of assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise.

5 SEGMENT INFORMATION

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

The Group has two business segments:

– Commercial operational services

The Group is engaged in the provision of (a) market research and positioning, business tenant sourcing and opening preparation services; (b) commercial operational services during the operation stage, including business tenant management, rent collection services and other value-added services (mainly including car parks, common areas and advertising space management services); and (c) commercial property management services including security, gardening, cleaning, repair and maintenance services.

Besides, to maximise its commercial operational efficiency, the Group leased certain retail commercial properties leased from third parties located in proximity to the shopping malls that are under management by the Group, and sub-leased them for long-term rental yield.

– Residential property management services

The Group provides residential property management services for residential properties, serviced apartments and office building, including pre-sale management services and other value-added services to property developers, property owners and residents.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION (Continued)

- (a) Segment results represent the profit earned by each segment without other income and other losses – net, gain on early termination of lease, gain on disposal of a subsidiary, loss on de-consolidation of a subsidiary, provision for claim, unallocated operating costs, finance costs, finance income, share of results of joint ventures and associates and income tax expenses. Revenue recognised at a point in time from contracts with customers represents revenue from market research and positioning services. Other revenue from contracts with customers is recognised over time. The following is the analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2025

	Commercial operational services RMB'000	Residential property management services RMB'000	Group RMB'000
Gross segment revenue	2,099,133	508,475	2,607,608
Revenue from contracts with customers	1,898,744	508,475	2,407,219
– at a point in time	33,133	–	33,133
– over time	1,865,611	508,475	2,374,086
Revenue from other sources			
– rental income	200,389	–	200,389
Segment results	211,981	47,790	259,771
Other income and other losses – net			44,293
Gain on early termination of lease			86,185
Gain on disposal of a subsidiary			47,666
Loss on de-consolidation of a subsidiary			(1,113)
Provision for claim			(38,187)
Unallocated operating costs			(81,430)
Finance costs			(33,711)
Finance income			38,633
Share of results of joint ventures			(14)
Share of results of associates			3,134
Profit before income tax			325,227
Income tax expenses			(93,252)
Profit for the year			231,975
Amounts included in the measure of segment results:			
Depreciation and amortisation	75,705	1,710	77,415
Impairment losses on financial assets-net	189,523	42,906	232,429
Impairment losses on investment properties	2,210	–	2,210
Impairment loss on investment in an associate	12,388	–	12,388

5 SEGMENT INFORMATION (Continued)

(a) (Continued)

For the year ended 31 December 2024

	Commercial operational services RMB'000	Residential property management services RMB'000	Group RMB'000
Gross segment revenue	2,140,138	477,167	2,617,305
Revenue from contracts with customers	1,933,683	477,167	2,410,850
– at a point in time	32,345	–	32,345
– over time	1,901,338	477,167	2,378,505
Revenue from other sources			
– rental income	206,455	–	206,455
Segment results	313,636	62,112	375,748
Other income and other losses – net			35,894
Unallocated operating costs			(64,717)
Finance costs			(70,673)
Finance income			51,477
Share of results of joint ventures			35
Share of results of associates			3,176
Profit before income tax			330,940
Income tax expenses			(106,555)
Profit for the year			224,385
Amounts included in the measure of segment results:			
Depreciation and amortisation	114,038	3,287	117,325
Impairment losses on financial assets-net	156,599	62,842	219,441

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION (Continued)

(b) The following is the analysis of the Group's segment assets and liabilities and capital expenditure for the year then ended:

As at 31 December 2025

	Commercial operational services RMB'000	Residential property management services RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	869,206	368,257	(6,778)	1,230,685
Other assets				4,584,723
Total assets				5,815,408
Segment liabilities	1,649,647	411,895	(6,778)	2,054,764
Other liabilities				300,628
Total liabilities				2,355,392
Amounts included in the measure of segment assets:				
Capital expenditure	40,971	1,536	–	42,507

As at 31 December 2024

	Commercial operational services RMB'000	Residential property management services RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	1,601,230	280,619	(7,026)	1,874,823
Other assets				4,165,687
Total assets				6,040,510
Segment liabilities	2,274,910	335,487	(7,026)	2,603,371
Other liabilities				212,331
Total liabilities				2,815,702
Amounts included in the measure of segment assets:				
Capital expenditure	334,950	2,050	–	337,000

5 SEGMENT INFORMATION (Continued)

Segment assets are reconciled to total assets as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Segment assets	1,230,685	1,874,823
Other assets		
Current income tax recoverable	134	134
Deferred income tax assets	187,903	158,198
Unallocated cash and bank balances	4,343,973	3,946,383
Unallocated property and equipment	116	45
Other corporate assets	42,598	51,666
Financial assets at fair value through profit and loss	9,999	9,261
Total assets	5,815,408	6,040,510

Segment liabilities are reconciled to total liabilities as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Segment liabilities	2,054,764	2,603,371
Other liabilities		
Current income tax liabilities	262,599	203,259
Deferred income tax liabilities	1,281	722
Other corporate liabilities	36,748	8,350
Total liabilities	2,355,392	2,815,702

The amounts provided to the CODM with respect to segment assets and liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment.

Segment assets consist primarily of property and equipment, investment properties, intangible assets, receivables from commercial and residential property management services and cash and bank balances other than current income tax recoverables, deferred income tax assets, unallocated cash and bank balances, unallocated property and equipment, other corporate assets and financial assets at fair value through profit or loss.

Segment liabilities consist primarily of trade and other payables, lease liabilities, contract liabilities and advances from lessees other than current income tax liabilities, deferred income tax liabilities and other corporate liabilities.

Capital expenditure comprises additions to property and equipment, investment properties and intangible assets.

Notes to the Consolidated Financial Statements

6 REVENUE

(a) Revenue of the Group for the year ended 31 December 2025 is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Types of services		
<i>Rental income:</i>		
– Commercial property lease services (iv)	200,389	206,455
<i>Revenue from contracts with customers within the scope of HKFRS 15:</i>		
– Market research and positioning, business tenant sourcing, opening preparation services	54,255	70,480
– Commercial operation and management services	1,844,489	1,863,203
– Commercial operation service during the operation stage (v)	692,040	716,482
– Commercial property management service (vi)	1,152,449	1,146,721
– Commercial operational services	1,898,744	1,933,683
– Pre-sale management services	1,057	1,189
– Property management services	409,141	378,759
– Other value-added services	98,277	97,219
– Residential property management services	508,475	477,167
	2,607,608	2,617,305
Types of customers		
External third party customers (i)	2,372,738	2,360,512
Fellow subsidiaries (ii)	222,895	230,611
Other related parties (iii)	11,975	26,182
	2,607,608	2,617,305

(i) External third party customers represented independent third parties.

(ii) For the year ended 31 December 2025, revenue arising from the Remaining Powerlong Group and other entities controlled by Mr. Hoi (the "Fellow Subsidiaries") contributed 8.5% of the Group's revenue (2024: 8.8%). Other than the Fellow Subsidiaries, the Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the year (2024: none).

(iii) Other related parties represented associates or jointly controlled entities of the Remaining Powerlong Group.

(iv) The owner leases the retail commercial properties as a whole to the Group at a certain price, and all income and costs of project operation are borne by the Group. For the years ended 31 December 2025 and 2024, commercial property lease services represent sub-lease services income of the Group.

(v) For the year ended 31 December 2025, the commercial operation services during the operation stage included car park revenue of approximately RMB467,178,000 (2024: RMB468,996,000), rental management fees of approximately RMB160,537,000 (2024: RMB161,284,000), and advertising income of approximately RMB64,325,000 (2024: RMB86,202,000).

(vi) For the year ended 31 December 2025, commercial property management service included operation and management service of approximately RMB993,195,000 (2024: RMB994,105,000), energy fees of approximately RMB86,649,000 (2024: RMB83,280,000), garbage removal and other service fees of approximately RMB14,028,000 (2024: RMB12,946,000), and others of approximately RMB58,577,000 (2024: RMB56,390,000).

6 REVENUE (Continued)**(b) Liabilities related to contracts with customers**

	As at 31 December		As at 1 January
	2025	2024	2024
	RMB'000	RMB'000	RMB'000
Contract liabilities	283,520	274,282	301,035

Contract liabilities of the Group mainly arose from the advance payments made by the customers while the underlying services are yet to be provided.

(i) Revenue recognised in relation to contract liabilities.

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
– Commercial operational services	176,511	216,719
– Residential property management services	94,656	72,048
	271,167	288,767

(ii) Unsatisfied performance obligations

For commercial operational services and residential property management services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customers of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts and property developer-related services do not have a fixed term. The term of the contracts for other value-added services is generally set to expire when the counterparties notify several months in advance to the Group that the services are no longer required.

For other value-added services are rendered over a short period of time and there is no unsatisfied performance obligation at the end of respective periods.

7 EXPENSES BY NATURE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Employee and other labour costs (Note (a) and Note 8)	848,821	771,152
Outsourcing staff costs	406,871	385,212
Utilities	271,989	279,860
Short-term lease expenditure (Note (b) and Note 29(b))	276,820	261,903
Depreciation and amortisation (Note (c), Notes 14, 16 and 17)	77,415	117,325
Promotion and advertising expenses	81,987	102,529
Travelling and entertainment expenses	16,595	19,380
Office expenses	24,407	25,678
Taxes and other levies	11,441	9,528
Professional fees	34,571	11,500
Variable lease payments (Note 29(b))	64,113	33,311
Cost of inventories sold	28,094	27,506
Auditor's remuneration		
– Audit services	1,780	1,150
Others	40,374	40,170
Total of costs of services, selling and marketing expenses and administrative expenses	2,185,278	2,086,204

(a) Employee and other labour costs were charged to the following categories in the consolidated statement of profit or loss and other comprehensive income:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of services	654,211	668,849
Administrative expenses	173,521	82,021
Selling and marketing expenses	21,089	20,282
Total	848,821	771,152

(b) Short-term lease payments represented the annual fee for leases of car parks, common areas and advertising spaces from Remaining Powerlong Group. These lease contracts have lease term of 12 months or less from the commencement date, and will be subject to negotiation for renewal requirements.

(c) Depreciation and amortisation were charged to the following categories in the consolidated statement of profit or loss and other comprehensive income:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of services	72,675	109,649
Administrative expenses	4,740	7,676
Total	77,415	117,325

8 STAFF COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages and salaries	685,805	678,507
Social insurance expenses (Note (a))	120,024	114,976
Housing benefits	35,664	37,123
Other employee benefits (Note (b))	3,895	5,727
Share-based payments (Note 27)	3,433	(65,181)
	848,821	771,152

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

(b) Other employee benefits mainly include meal, travelling and transportation allowances.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 included one key management personnel (2024: one) whose emoluments are shown in Note 37. The emoluments payable to the four individuals are as follows (2024: four):

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages and salaries	4,534	4,400
Pension costs, housing funds, medical insurance and other social insurances	550	386
Bonus	–	56
	5,084	4,842

The emoluments fell within the following bands:

	Number of individuals	
	Year ended 31 December	
	2025	2024
Emolument bands (in HK dollar ("HK\$"))		
HK\$1,000,001 – HK\$1,500,000	4	4
	4	4

During the year ended 31 December 2025, no emolument was paid by the Group to any of the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices (2024: nil). None of the highest paid individuals waived any emoluments for the years ended 31 December 2025 and 2024.

9 OTHER INCOME AND OTHER LOSSES – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Other income		
Penalty income (Note (a))	48,387	25,725
Government grants (Note (b))	8,465	8,387
Others	3,114	5,015
	59,966	39,127
Other losses		
Foreign exchange losses	(323)	(3,233)
Penalty expenses (Note (a))	(15,350)	–
	(15,673)	(3,233)
	44,293	35,894

(a) Penalty income mainly represented the forfeited deposits from tenants due to the premature termination of contracts and penalty expenses mainly represented penalties relating to legal dispute.

(b) Government grants mainly represented rewards and tax refunds from local government without attached conditions.

10 FINANCE INCOME/(COSTS) – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
<i>Interest expense in respect of:</i>		
Lease liabilities (Note 29(b))	(33,711)	(70,673)
	(33,711)	(70,673)
<i>Interest income in respect of:</i>		
Bank deposits	38,633	51,477
	38,633	51,477
Finance income/(costs) – net	4,922	(19,196)

11 PRINCIPAL SUBSIDIARIES

The principal subsidiaries of which the Company held direct or indirect interest as at 31 December 2025 and 2024 are as follows:

Company name	Place and date of incorporation/ establishment	Kind of legal entity	Nominal value of issued and fully paid share capital/paid-in capital	Attributable equity interest of the Group as at 31 December 2025	Attributable equity interest of the Group as at 31 December 2024	Principal activities and place of operation
<i>Directly owned:</i>						
Powerlong (BVI) V Limited	The British Virgin Islands ("BVI"), 11 August 2008	Limited liability company	US\$50,000	100%	100%	Investment holding, the BVI
<i>Indirectly owned:</i>						
Powerlong Commercial Group Holdings Limited	Hong Kong, 3 October 2008	Limited liability company	HK\$50,000	100%	100%	Investment holding, Hong Kong
Shanghai Shangsheng Investment Management Consulting Company Limited	The PRC, 15 December 2010	Limited liability company	US\$3,000,000	100%	100%	Investment holding, management consulting, Shanghai, the PRC
Shanghai Yulong Property Management Company Limited	The PRC, 5 March 2012	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Xiamen Hualong Property Management Company Limited	The PRC, 14 April 1993	Limited liability company	RMB5,853,600	100%	100%	Property Management, Xiamen, the PRC
Shanghai Powerlong Property Management Company Limited	The PRC, 5 April 2007	Limited liability company	RMB50,000,000	100%	100%	Property management, Shanghai, the PRC
Shanghai Baozhan Commercial Operational Management Company Limited	The PRC, 1 September 2014	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Qingdao Jimo Powerlong Commercial Property Management Company Limited	The PRC, 26 November 2010	Limited liability company	RMB3,000,000	100%	100%	Commercial operation, Qingdao, the PRC
Taicang Baohua Property Management Company Limited	The PRC, 9 October 2006	Limited liability company	RMB3,000,000	100%	100%	Property management, Taicang, the PRC
Shanghai Powerlong Commercial Real Estate Management Company Limited	The PRC, 29 June 2007	Limited liability company	RMB5,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Zhengzhou Powerlong Commercial Property Management Company Limited	The PRC, 16 October 2007	Limited liability company	RMB10,000,000	100%	100%	Commercial operation, Zhengzhou, the PRC

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11 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place and date of incorporation/ establishment	Kind of legal entity	Nominal value of issued and fully paid share capital/paid-in capital	Attributable equity interest of the Group as at 31 December 2025	Attributable equity interest of the Group as at 31 December 2024	Principal activities and place of operation
Wuxi Powerlong Commercial Property Management Company Limited	The PRC, 8 April 2008	Limited liability company	RMB10,000,000	100%	100%	Commercial operation, Wuxi, the PRC
Tianjin Junlong Commercial Management Company Limited	The PRC, 21 October 2011	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Tianjin, the PRC
Jiangyou Powerlong Commercial Management Company Limited	The PRC, 18 September 2017	Limited liability company	RMB18,000,000	100%	100%	Commercial operation, Jiangyou, the PRC
Shanghai Baoqian Commercial Operational Management Company Limited	The PRC, 13 November 2014	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Shanghai Xuxin Enterprise Management Company Limited	The PRC, 26 September 2014	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Shanghai Huazhan Commercial Operational Management Company Limited	The PRC, 22 September 2014	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Shanghai Jiashang Digital Technology Company Limited	The PRC, 17 April 2019	Limited liability company	RMB20,000,000	100%	100%	Technology development, Shanghai, the PRC
Shanghai Baojuan Commercial Operational Management Company Limited	The PRC, 9 October 2019	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Shanghai Huaqian Commercial Operational Management Company Limited	The PRC, 30 September, 2014	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Shanghai Kangqian Commercial Operational Management Company Limited	The PRC, 12 September 2014	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Shanghai Juanxin Enterprise Management Company Limited	The PRC, 18 September 2014	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Zhejiang Powerlong Xinghui Commercial Management Company Limited	The PRC, 27 October 2015	Limited liability company	RMB10,000,000	60%	60%	Commercial operation, Hangzhou, the PRC
Ningbo Yinzhou Junlong Commercial Real Estate management Company Limited	The PRC, 15 May 2020	Limited liability company	RMB2,000,000	100%	100%	Commercial operation, Ningbo, the PRC

11 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place and date of incorporation/ establishment	Kind of legal entity	Nominal value of issued and fully paid share capital/paid-in capital	Attributable equity interest of the Group as at 31 December 2025	Attributable equity interest of the Group as at 31 December 2024	Principal activities and place of operation
Shanghai Jinglong Property Management Company Limited	The PRC, 30 October 2015	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Suzhou Powerlong Commercial Real Estate Operation Management Company Limited	The PRC, 19 January 2021	Limited liability company	RMB300,000	100%	100%	Commercial operation, Suzhou, the PRC
Xiamen Powerlong Shangsheng Commercial Management Company Limited (Note 33(a))	The PRC, 18 August 2021	Limited liability company	RMB10,000,000	0%	60%	Commercial operation, Xiamen, the PRC
Shanghai Fujian Commercial Operational Management Company Limited	The PRC, 9 October 2021	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC
Xiamen Powerlong Liucai Commercial Management Company Limited	The PRC, 2 February 2023	Limited liability company	RMB2,000,000	100%	100%	Commercial operation, Xiamen, the PRC
Shanghai Yunxu Enterprise Management Company Limited	The PRC, 13 April 2020	Limited liability company	RMB1,000,000	100%	100%	Commercial operation, Shanghai, the PRC

* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

The above table listed the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

The directors of the Company consider that the Group's non-controlling interests were insignificant to the Group and thus no summarised consolidated financial information in respect of the Group's non-controlling interest is presented.

12 INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax expense		
– PRC corporate income tax	122,398	173,139
Deferred income tax credits (Note 31)		
– PRC corporate income tax	(29,146)	(66,584)
	93,252	106,555

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	325,227	330,940
Tax charge at statutory tax rate of 25% to profits in the respective group entities	81,306	82,735
Tax effects of:		
– Share of results of joint ventures	3	29
– Share of results of associates	(783)	906
– Expenses not deductible for tax purposes	1,079	913
– Unused tax losses not recognised	12,238	21,972
Over provision in prior year	(591)	–
	93,252	106,555

The effective income tax rate was 28.67% and 32.20% for the years ended 31 December 2025 and 2024, respectively.

PRC corporate income tax

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in the PRC is 25%.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and pursuant to the rules and regulations of Cayman Islands, the Company is not subject to any income tax. The Company's subsidiaries in the BVI were incorporated under the International Business Companies Act (as amended) of the BVI and are exempted from BVI income tax.

12 INCOME TAX EXPENSES (Continued)**Hong Kong profits tax**

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong during the year ended 31 December 2025 (2024: nil). The profit of the Group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

PRC withholding income tax

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

13 EARNINGS PER SHARE**(a) Basic**

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

	Year ended 31 December	
	2025	2024
Earnings (RMB'000)		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	233,516	216,016
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	642,900	637,419
Basic and diluted earnings per share (RMB cents per share)	36.32	33.89

(b) Diluted

Diluted earnings per share for both years were the same as the basic earnings per share as there was no potential ordinary shares in issue for both 2025 and 2024.

14 PROPERTY AND EQUIPMENT

	Leasehold improvement RMB'000	Motor vehicles RMB'000	Furniture, fitting and equipment RMB'000	Total RMB'000
Year ended 31 December 2025				
Opening net book amount	37,278	173	7,856	45,307
Additions	1,939	15	1,896	3,850
Disposals	–	–	(1,354)	(1,354)
Derecognised upon disposal/de-consolidation of subsidiaries	–	–	(235)	(235)
Depreciation charge	(14,649)	(135)	(2,016)	(16,800)
Closing net book amount	24,568	53	6,147	30,768
As at 31 December 2025				
Cost	48,255	5,140	37,946	91,341
Accumulated depreciation	(23,687)	(5,087)	(31,799)	(60,573)
Net book amount	24,568	53	6,147	30,768
Year ended 31 December 2024				
Opening net book amount	35,066	373	10,314	45,753
Additions	8,416	18	3,041	11,475
Disposals	–	(13)	(95)	(108)
Depreciation charge	(6,204)	(205)	(5,404)	(11,813)
Closing net book amount	37,278	173	7,856	45,307
As at 31 December 2024				
Cost	46,316	5,421	37,826	89,563
Accumulated depreciation	(9,038)	(5,248)	(29,970)	(44,256)
Net book amount	37,278	173	7,856	45,307

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of services	13,565	6,195
Administrative expenses	3,235	5,618
Total	16,800	11,813

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss comprise non-debt instruments that are held for trading and non-debt instruments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening amounts as at 1 January	9,261	9,890
Fair value gain/(loss) – net	2,868	(629)
Disposal of financial assets at fair value (Note (a))	(2,130)	–
Closing amounts at 31 December	9,999	9,261

Note:

- (a) The gain on disposal of RMB170,000 was recognised as the investment gain during the year.

Financial assets at fair value through profit or loss comprise the following individual investments:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Investment fund	6,952	9,261
Contingent consideration (Note (a) and (b))	3,047	–
	9,999	9,261

Information about the methods and assumptions used in determining fair value is provided in Note 3.3.

Notes:

- (a) Business combinations during the year ended 31 December 2020 included the acquisition of Zhejiang Xinghui at an aggregate purchase consideration of RMB34,799,000.

The contingent consideration arrangement was included in the acquisition of Zhejiang Xinghui, and it entitled the Group to have the receivable from the former owners of Zhejiang Xinghui which was contingent upon the non-achievement of the performance guarantee targets during the five years between 2020 and 2024.

The fair value of the contingent consideration arrangement was estimated by calculating the present value of the future expected cash flows. The estimates were based on the discount rate and probability of achieving the target and might be modified by inspecting the performance from the acquisition date.

The performance guarantee targets for the five years between 2020 and 2024 were achieved by Zhejiang Xinghui except for 2021 and 2022, in respect of which compensation of RMB365,000 and RMB665,000 respectively were received by the Group. The aggregate compensation receivable of RMB1,030,000 was settled on 30 August 2022 and 17 May 2023 respectively.

As at 31 December 2024, the fair value of the contingent considerations was RMB nil.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Financial assets at fair value through profit or loss comprise the following individual investments: (Continued)

Notes: (Continued)

- (b) On 10 November 2025, the Group signed a profit distribution agreement with the non-controlling interest of Zhejiang Xinghui, under which Zhejiang Xinghui's net profit will be distributed among the shareholders according to the specifications during the five years between 2025 and 2029.

The fair value of the contingent consideration was estimated using a Monte Carlo simulation analysis, based on discounted probability-adjusted profit or loss projections.

As at 31 December 2025, the fair value of the contingent considerations was RMB3,047,000.

16 INVESTMENT PROPERTIES

	Leased commercial properties – right-of-use assets RMB'000	Investment properties RMB'000	Total RMB'000
Year ended 31 December 2025			
Opening net book amount	972,085	–	972,085
Additions (Note (a))	–	37,444	37,444
Derecognised upon disposal of a subsidiary (Note 33 (a))	(352,224)	–	(352,224)
Derecognised upon early termination of lease (Note (c))	(133,302)	–	(133,302)
Depreciation charge	(58,185)	(364)	(58,549)
Impairments	(2,210)	–	(2,210)
Closing net book amount	426,164	37,080	463,244
As at 31 December 2025			
Cost	731,836	37,444	769,280
Accumulated depreciation	(303,462)	(364)	(303,826)
Impairments	(2,210)	–	(2,210)
Net book amount	426,164	37,080	463,244
Year ended 31 December 2024			
Opening net book amount	749,749	–	749,749
Additions (Note (b))	325,229	–	325,229
Depreciation charge	(102,893)	–	(102,893)
Closing net book amount	972,085	–	972,085
As at 31 December 2024			
Cost	1,293,671	–	1,293,671
Accumulated depreciation	(321,586)	–	(321,586)
Net book amount	972,085	–	972,085

- (a) For the year ended 31 December 2025, the additions of investment properties mainly comprised of car parks, residential properties, and shops and storage rooms. During the year ended 31 December 2025, the Group had entered into agreements with certain customers which are independent third parties, pursuant to which certain trade receivables were applied to offset the cost of investment properties of approximately RMB37,444,000 (Note 32(c)).
- (b) For the year ended 31 December 2024, the additions of right-of-use assets mainly comprised of three leased commercial properties with lease term periods of 2–20 years respectively.
- (c) Shanghai Powerlong Commercial Real Estate Management Company Limited, Lin 'an Qingshanhu Branch has early terminated the lease contract. The lease liabilities derecognised amounted to RMB219,487,000. The gain from the early termination of the lease is RMB 86,185,000.
- (d) As at 31 December 2025 and 2024, none of the lease contracts of the Group was finance lease. As at 31 December 2025, the fair values of the investment properties approximated to RMB517,250,000 (2024: RMB1,120,180,000).

Notes to the Consolidated Financial Statements

16 INVESTMENT PROPERTIES (Continued)

(e) Fair value hierarchy

A valuation of the Group's investment properties was performed by an independent and professional qualified valuer, to determine the fair value of the investment properties as at 31 December 2025 and 2024.

As at 31 December 2025, as certain significant inputs used in the determination of fair value of investment properties are arrived at by reference to certain significant unobservable market data, the fair values of all investment properties of the Group are included in level 3 of the fair value measurement hierarchy (2024: level 3).

(f) Valuation techniques

Investment properties comprise of right-of-use assets of commercial properties held under leases. Fair values of the investment properties are generally derived using the term and reversionary method. This method is based on the tenancy agreements as at the respective valuation dates. The rental income derived within the tenancy agreements are discounted by adopting term yields and the potential reversionary income are discounted by adopting appropriate reversionary yields for the period beyond the rental period in the tenancy agreements. Potential reversionary income and the reversionary yields are derived from analysis of prevailing market rents and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

In estimating the fair value of the right-of-use assets of commercial properties held under leases and investment properties, the highest and best use of the properties is their current use. There were no changes to the valuation techniques during the year ended 31 December 2025 (2024: None).

Fair value of investment properties as at 31 December 2025 by adopting the direct comparison approach. The direct comparison approach considers the sales, listing or offerings of similar or substitute properties and related market data and establishes a value estimated by processes involving comparison. The fair value measurement is based on the above investment properties' highest and best use.

Property category	Valuation techniques	Unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value	
			As at 31 December 2025	As at 31 December 2024		
Leased commercial properties-right-of-use assets	Shopping malls in the PRC	Income approach	Term yields	6.50%-7.00%	6.00%-7.00%	The higher the term yields, the lower the fair value
			Reversionary yields	7.00%-7.50%	7.00%-7.50%	The higher the reversionary yields, the lower the fair value
			Market rents (RMB/square meter/month)	30-130	30-150	The higher the market rents, the higher the fair value
			Occupancy rate	80%-95%	80%-95%	The higher the occupancy rate, the higher the fair value
Investment properties	Car parks in the PRC	Direct comparison approach	Market price (RMB/per car park)	60,000-139,000	N/A	The higher the market price, the higher of the fair value
	Residential properties in the PRC	Direct comparison approach	Market price (RMB/square meter)	8,000-15,000	N/A	The higher the market price, the higher of the fair value
	Shops and storage rooms in the PRC	Direct comparison approach	Market price (RMB/square meter)	5,000-17,000	N/A	The higher the market price, the higher of the fair value

17 INTANGIBLE ASSETS

	Software RMB'000	Customer contracts RMB'000 (Note (a))	Goodwill RMB'000 (Note (a) and (b))	Total RMB'000
Year ended 31 December 2025				
Opening net book amount	1,104	3,177	20,640	24,921
Additions	1,213	–	–	1,213
Disposals	(370)	–	–	(370)
Amortisation charge	(1,505)	(561)	–	(2,066)
Closing net book amount	442	2,616	20,640	23,698
As at 31 December 2025				
Cost	4,886	5,607	20,640	31,133
Accumulated amortisation	(4,444)	(2,991)	–	(7,435)
Net book amount	442	2,616	20,640	23,698
Year ended 31 December 2024				
Opening net book amount	3,014	3,738	20,640	27,392
Additions	296	–	–	296
Disposals	(148)	–	–	(148)
Amortisation charge	(2,058)	(561)	–	(2,619)
Closing net book amount	1,104	3,177	20,640	24,921
As at 31 December 2024				
Cost	5,020	5,607	20,640	31,267
Accumulated amortisation	(3,916)	(2,430)	–	(6,346)
Net book amount	1,104	3,177	20,640	24,921

Amortisation of intangible assets were charged to the following categories in the consolidated statements of profit or loss and other comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of services	561	561
Administrative expenses	1,505	2,058
Total	2,066	2,619

Notes to the Consolidated Financial Statements

17 INTANGIBLE ASSETS (Continued)

- (a) During the year ended 31 December 2020, the Group acquired Zhejiang Xinghui. Zhejiang Xinghui is principally engaged in retail commercial property operation and management. Total identifiable net assets acquired as at the acquisition date included identified customer contracts of RMB5,607,000 recognised by the Group.

The excess of the consideration transferred over the fair value of the identifiable net assets attributable to the Group amounted to RMB20,640,000 and was recorded as goodwill.

(b) Impairment tests for goodwill

As at 31 December 2025, goodwill of RMB20,640,000 (2024: RMB20,640,000) has been allocated to the cash-generating unit of the subsidiary acquired (Zhejiang Xinghui) for impairment testing.

Management performed an impairment assessment on the goodwill as at 31 December 2025. The calculations used cash flow projections were based on financial budgets covering a five-year period 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:

	As at 31 December	
	2025	2024
Revenue (average annual growth rate during projection period)	6%	2%
Gross margin	64%	62%
Earnings before interest and tax ("EBIT") margin during the projection period (%)	17%	23%

Revenue refers to the average annual growth rate over the five-year forecast period. It is based on the CGU's growth forecasts and the average long-term growth rate for the relevant industry.

Gross margin refers to the average margin as a percentage of revenue over the five-year forecast period. It is determined based on the CGU's past performance and their expectations for market development.

EBIT margin based on past performance and management's expectations for the future.

By reference to the recoverable amount assessed by the independent valuer as at 31 December 2025, the directors of the Company determined that no impairment provision on goodwill was required as at 31 December 2025 (2024: nil).

18 INVESTMENTS IN JOINT VENTURES

There was no joint venture of the Group as at 31 December 2025 which, in the opinion of the executive directors, are material to the Group.

The movement of the investments in joint ventures during the year is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	807	772
Share of results of joint ventures	(14)	35
Additions	200	–
At end of the year	993	807

Details of the Group's joint ventures as at 31 December 2025 and 31 December 2024 are as follows:

Name of entity	Place and date of establishment/ incorporation	Authorised/registered/ paid-in capital	Proportion of ownership interest		Principal activities
			2025	2024	
Shanghai Baoshen Digital Technology Co., Ltd.	PRC 18 April 2019	Registered and paid-in capital of RMB10,000,000	47%	47%	Technology development
Hainan Baochang Property Management Co., Ltd.	PRC 7 January 2020	Registered and paid-in capital of RMB10,000,000 and nil respectively	51%	51%	Property management
Tongshang Zidao (Xiamen) Medical and Elderly Care Services Co., Ltd.	PRC 12 August 2025	Registered and paid-in capital of RMB50,000 and RMB50,000 respectively	50%	–	Medical and Elderly Care Services
Shanghai Yuankangtang Health Management Co., Ltd.	PRC 24 November 2025	Registered and paid-in capital of RMB2,000,000 and RMB300,000 respectively	50%	–	Wholesale of Western medicine
Yuankangtang (Hangzhou) Medical and Elderly Care Services Co., Ltd.	PRC 5 August 2025	Registered and paid-in capital of RMB50,000 and RMB50,000 respectively	50%	–	Medical and Elderly Care Services

19 INVESTMENTS IN ASSOCIATES

There was no associate of the Group as at 31 December 2025 which, in the opinion of the executive directors, are material to the Group.

The movement of investments in associates during the year is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	50,859	54,516
Share of results of associates	3,134	3,176
Dividends	–	(6,833)
Impairments	(12,388)	–
At end of the year	41,605	50,859

Details of the Group's associates as at 31 December 2025 and 31 December 2024 are as follows:

Name of entity	Place and date of establishment/ incorporation	Authorised/ registered/paid-in capital	Proportion of ownership interest		Principal activities
			2025	2024	
Shanghai Huiping Business Management Co., Ltd	PRC 25 December 2020	Registered and paid-in capital of RMB1,000,000 and nil respectively	49%	49%	Commercial operation
Shanghai Yongbao Property Management Co., Ltd	PRC 13 April 2021	Registered and paid-in capital of RMB1,000,000 and nil respectively	49%	49%	Property management
Yueshang Technology (Shanghai) Co., Ltd ("Yueshang Technology") (Note (a))	PRC 4 August 2021	Registered and paid-in capital of RMB29,626,000 and RMB29,626,000 respectively	8.33%	8.33%	Technology development

- (a) Mr. Hoi Wa Fong, an executive director of the Company, indirectly owns more than 20% of the voting rights in Yueshang Technology and is able to exercise significant influence on the financial and operating policies of Yueshang Technology. Therefore, the Group is presumed to exercise significant influence over Yueshang Technology and Yueshang Technology is classified as an associate of the Group.

Impairment assessment

During the year ended 31 December 2025, as Yueshang Technology incurred a loss, the management performed an impairment assessment on the investment in Yueshang Technology. The recoverable amount of Yueshang Technology has been determined by an independent professional valuer, Guangzhou Zhongrui Assets Appraisal Co., Ltd., based on fair value less costs of disposal ("FVLCO"). The FVLCO of Yueshang Technology is estimated by the market approach by reference to the price-to-book ratio of comparable companies which are engaged in a similar business. As a result of the impairment assessment, impairment loss of RMB12,388,000 (2024: Nil) has been recognised in respect of the investment in Yueshang Technology. The key inputs for the FVLCO calculation are the average price-to-book ratio of the comparable companies of 5.21 and the marketability discount of 36%. The FVLCO of the investment in Yueshang Technology is classified as a level 3 measurement.

20 INVENTORIES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
General merchandise	9,001	10,620
	9,001	10,620

21 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at amortised cost		
Operating lease and trade receivables	421,132	413,173
Other receivables (excluding prepayments)	109,106	161,448
Cash and bank balances	4,478,046	4,131,562
	5,008,284	4,706,183
Financial assets at fair value through profit or loss	9,999	9,261
	5,018,283	4,715,444
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables (excluding accrued payroll and other tax payables)	1,062,907	943,203
Lease liabilities	605,823	1,270,698
	1,668,730	2,213,901

22 OPERATING LEASE AND TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Operating lease receivables (Note (a))		
– Third parties	13,410	15,937
Trade receivables (Note (a))		
– Related parties (Note 35(d))	537,525	371,819
– Third parties	304,072	262,604
	841,597	634,423
Less: loss allowance (Note (b))	(433,875)	(237,187)
	421,132	413,173

- (a) The Group's revenue is derived from provision of commercial operational services, residential property management services and lease of properties. Proceeds in respect of service rendering and rental income are to be received in accordance with the terms of relevant property service agreements and tenant contracts. Generally, no credit period is granted.

As at the respective balance sheet date, the ageing analysis of the gross carrying amount of the trade receivables due from related parties based on the demand note dates is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	197,389	264,149
1-2 years	340,136	107,670
	537,525	371,819

As at the respective balance sheet date, the ageing analysis of the gross carrying amount of the operating lease and trade receivables due from third parties based on the demand note dates is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	125,221	141,537
1-2 years	75,456	65,227
2-3 years	58,694	33,085
Over 3 years	58,111	38,692
	317,482	278,541

22 OPERATING LEASE AND TRADE RECEIVABLES (Continued)

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB433,875,000 (2024: RMB237,187,000) was made against the gross amounts of operating lease and trade receivables (Note 3.1.2).
- (c) As at 31 December 2025 and 2024, the operating lease and trade receivables were denominated in RMB, and the fair values approximated their carrying amounts.

23 PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Other receivables		
– Payments on behalf of tenants or residents (Note (a))	15,549	21,254
– Related parties (Note 35(d))	12,867	11,704
– Deposit paid to a related company (Note (b) and Note 35(d))	198,000	198,000
– Deposit paid to a third party (Note (c))	3,105	3,013
– Others	3,779	15,930
	233,300	249,901
Less: loss allowance	(124,194)	(88,453)
	109,106	161,448
Prepayments		
– Third parties (Note (d))	18,991	37,186
– Related parties (Note 35(d))	20,788	24,949
	39,779	62,135
	148,885	223,583

- (a) Amounts mainly represented the payments of utility fees on behalf of tenants or residential communities.
- (b) Amounts represented a refundable deposit paid to a related company which is part of Remaining Powerlong Group for the exclusive sales right of car park spaces in the PRC held by this related company.
- (c) Amounts represented a refundable deposit paid to a third party for the exclusive sales right of shops in the PRC held by this third party.
- (d) Amounts mainly represented the prepaid utility expenses for the Group.
- (e) The balances of prepayments and other receivables were all denominated in RMB.

24 CASH AND BANK BALANCES

	As at 31 December 2025 RMB'000	2024 RMB'000
Cash at banks and in hand (Note (a))	4,478,046	4,131,562
Restricted cash – others	(40,692)	(22,769)
Cash and cash equivalents	4,437,354	4,108,793

(a) Cash and bank balances were denominated in the following currencies:

	As at 31 December 2025 RMB'000	2024 RMB'000
RMB	4,387,599	4,110,047
HK\$	13,118	21,503
US\$	77,329	12
	4,478,046	4,131,562

25 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital		Share premium	Total	Shares held for Shares Award Scheme
		HK\$'000	RMB'000	RMB'000	RMB'000	RMB'000
Authorised						
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	2,000,000,000	20,000	17,905	–	17,905	–
Issued						
As at 31 December 2024 and 1 January 2025	642,900,000	6,429	5,747	998,653	1,004,400	–
Vesting of awarded shares	–	–	–	9,685	9,685	–
As at 31 December 2025	642,900,000	6,429	5,747	1,008,338	1,014,085	–
Issued						
As at 31 December 2023 and 1 January 2024	642,900,000	6,429	5,747	961,459	967,206	(44)
Issue of ordinary shares (Note(a))	–	–	–	12,021	12,021	44
Vesting of awarded shares	–	–	–	25,173	25,173	–
As at 31 December 2024	642,900,000	6,429	5,747	998,653	1,004,400	–

(a) The 5,625,000 unvested awarded shares granted under the Share Award Scheme did not vest in the relevant grantee and the award thereof lapsed on 1 November 2024. As there was no immediate plan to grant any further award of shares to any eligible participants under the Share Award Scheme, the Company instructed the trustee to sell the unvested awarded shares on the open market.

26 OTHER RESERVES

	Statutory reserves RMB'000 (Note (a))	Shares Award Scheme and Shares Incentive Scheme – value of employee services RMB'000 (Note (b))	Total reserves RMB'000
Balance at 1 January 2025	23,617	6,252	29,869
Shares Award Scheme and Shares Incentive Scheme – value of employee services (Note 27)	–	3,433	3,433
Vesting of awarded shares	–	(9,685)	(9,685)
Balance at 31 December 2025	23,617	–	23,617
Balance at 1 January 2024	23,617	96,606	120,223
Shares Award Scheme and Shares Incentive Scheme – value of employee services (Note 27)	–	(65,181)	(65,181)
Vesting of awarded shares	–	(25,173)	(25,173)
Balance at 31 December 2024	23,617	6,252	29,869

(a) Statutory reserves

Pursuant to the relevant laws and regulations in the PRC and the provision of the articles of association of the Group's subsidiaries, the Group's subsidiaries which are registered in the PRC shall appropriate certain percentage of profit after tax (after offsetting any accumulated losses brought forward from prior years) calculated under the accounting principles generally applicable to the PRC enterprises to reserve funds. Depending on the nature, the reserve funds can be used to set off accumulated losses of the subsidiaries or distribute to owners in form of bonus issue.

(b) Shares Award Scheme and Shares Incentive Scheme reserves**Shares Award Scheme**

On 24 November 2020, the Company's shareholders approved and adopted a shares award scheme ("Shares Award Scheme") (Note 27) and the Company has appointed Tricor Trust (Hong Kong) Limited as the trustee (the "Trustee") to assist with the administration of the awarded shares and Elitelong Holdings Limited, a wholly-owned subsidiary of the Trustee, as nominee. On 4 December 2020, the Board of the Company approved a new issuance of 11,250,000 ordinary shares to the Elitelong Holdings Limited.

Elitelong Holdings Limited was set up as a special vehicle for the purpose of holding the ordinary shares allotted and issued by the Company. As the Company has the power to direct the relevant activities of Elitelong Holdings Limited and can derive benefits from the contributions of the grantees, therefore, Elitelong Holdings Limited is consolidated by the Company and the 11,250,000 shares of the Company that it held are presented as a deduction in equity as shares held for the Shares Award Scheme reserve. Elitelong Holdings Limited was dissolved on 19 November 2025.

Shares Incentive Scheme

On 19 July 2019, 8,778 shares were issued and allotted to Huihong Management (PTC) Limited ("Huihong Management") at par value as to 10% of the Company's equity interest before the listing of the Company. Huihong Management was incorporated in the BVI as a special purpose vehicle to hold shares to be granted to eligible grantees under a share incentive scheme ("Share Incentive Scheme") to be adopted at least six months after the Listing, which is consolidated by the Company.

On 10 December 2019, the Company increased its authorized share capital to HK\$20,000,000 by the creation of 1,962,000,000 additional shares of nominal value of HK\$0.01 each. Pursuant to the written resolutions passed by the shareholders on 10 December 2019, the Company was authorized to capitalise HK\$4,499,122.22 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 449,912,222 shares for issue and allotment to the respective shareholders. Accordingly, the numbers of shares held by Huihong Management increased from 8,778 to 45,000,000, i.e. 10% of the Company's equity interest before the listing.

27 SHARES AWARD SCHEME AND SHARES INCENTIVE SCHEME

Shares Award Scheme

On 24 November 2020, as the grant date, the Company has resolved to award an aggregate of 11,250,000 awarded shares ("Awarded Shares") to Mr. Chen Deli. Such Awarded Shares have been issued to a trustee which hold on trust for Mr. Chen pursuant to the terms of the trust deed. These Awarded Shares shall then transfer to Mr. Chen after the relevant vesting conditions are fulfilled.

Under the terms of the Shares Award Scheme, when the vesting conditions are fulfilled, the Awarded Shares shall be vested 50% in June 2023 and 50% in June 2025 respectively.

In June 2023, 5,625,000 Awarded Shares were vested.

On 1 November 2024, Mr. Chen resigned from his position as an executive Director and the chief executive officer of the Company. Under the terms of the Shares Award Scheme, the remaining 5,625,000 Awarded Shares which were not yet vested as at that date will no longer be transferred to Mr. Chen.

The Awarded Shares have an aggregate nominal value of HK\$112,500 and a fair value of HK\$226,688,000 based on the price of HK\$20.15 on grant date (equivalent to approximately RMB192,446,000). For the year ended 31 December 2024, an expense of RMB16,880,000 was recognised in relation to the Shares Award Scheme, an expense of RMB84,405,000 was reversed in relation to the cancellation of 5,625,000 Awarded Shares due to the resignation of Mr. Chen.

Awards vested and forfeited of the Group's shares under Shares Award Scheme are as follows:

Category of Grantees	Date of grant	Number of unvested shares as at 1 January 2024	Aggregated awards vested during the year	Aggregated awards forfeited during the year	Aggregated awards revoked during the year	Number of unvested shares as at 31 December 2024
Senior executives	24 November 2020	5,625,000	–	–	(5,625,000)	–

Shares Incentive Scheme

On 21 September 2022, as the grant date, the Company has resolved to transfer, and the eligible grantees have to subscribe for 25,000,000 shares from Huihong Management, at the subscription price of RMB1.1111 per share upon the terms and subject to the conditions under the Shares Incentive Scheme. These shares ("Incentive Shares") shall then transfer to eligible grantees after the relevant vesting conditions are fulfilled.

The final number of Incentive Shares to be granted to each eligible grantee shall be determined with reference to the Group's business performance and shall be subject to the discretion of the relevant trust arrangement, in accordance with the scheme rules and the applicable eligibility criteria.

The Incentive Shares represent approximately 3.89% of the total number of shares in issue as of 31 December 2025 (2024: 3.89%).

Under the terms of the Shares Incentive Scheme, when the vesting conditions are fulfilled, the Incentive Shares shall be vested 100%. As at 31 December 2025, total number of 27,558,000 shares (2024: 21,428,000 shares) were subscribed by and transferred to the grantees.

For the year ended 31 December 2025, an expense of RMB3,433,000 was recognised in relation to the Shares Incentive Scheme (2024: RMB2,344,000).

27 SHARES AWARD SCHEME AND SHARES INCENTIVE SCHEME (Continued)**Shares Incentive Scheme** (Continued)

Awards vested and forfeited of the Group's shares under the Shares Incentive Scheme are as follows:

For the year ended 31 December 2025

Category of Grantees	Date of grant	Number of unvested shares as at 1 January 2025	Aggregated awards vested during the year	Aggregated awards forfeited during the year	Aggregated awards revoked during the year	Aggregated awards granted during the year	Number of unvested shares as at 31 December 2025
Employees	21 September 2022	5,130,000	(6,130,000)	–	–	1,000,000	–

For the year ended 31 December 2024

Category of Grantees	Date of grant	Number of unvested shares as at 1 January 2024	Aggregated awards vested during the year	Aggregated awards forfeited during the year	Aggregated awards revoked during the year	Number of unvested shares as at 31 December 2024
Employees	21 September 2022	14,095,000	(8,965,000)	–	–	5,130,000

28 DIVIDENDS

No dividend was paid or declared by the Company for the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

29 LEASES**(a) Amounts recognised in the consolidated statement of financial position**

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Leased properties for sub-lease to tenants – Leased commercial properties (Note 16)	463,244	972,085
Lease liabilities		
– Current	81,671	82,909
– Non-current	524,152	1,187,789
	605,823	1,270,698

Notes to the Consolidated Financial Statements

29 LEASES (Continued)

(b) Amounts recognised in the consolidated statements of profit or loss and other comprehensive income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation charge		
Commercial properties (Note 16)	58,185	102,893
Interest expense (included in finance costs (Note 10))	33,711	70,673
Variable lease payments (included in cost of services (Note 7))	64,113	33,311
Short-term lease expenditure for car parks and common areas and advertising spaces (Note 7 and note(i))	276,820	261,903
Gain on early termination of lease	86,185	–
Cash outflows for lease payments (including principal elements and relevant interest expense)	71,399	120,857

(i) As at 31 December 2025 and 2024, the Group did not have any commitment related to the short-term leases.

(c) A maturity analysis of lease liabilities is show in the table below during the year:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Leases are payable:		
Within one year	112,464	150,913
More than one year but not more than two years	59,448	129,894
More than two years but not more than five years	150,441	311,357
More than five years	558,160	1,357,580
Minimum lease payments	880,513	1,949,744
Future finance charges	(274,690)	(679,046)
Total lease liabilities	605,823	1,270,698
The present value of lease liabilities is as follows:		
Within one year	81,671	82,909
More than one year but not more than two years	30,923	65,317
More than two years but not more than five years	73,633	134,737
More than five years	419,596	987,735
	605,823	1,270,698

30 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables		
– Related parties (Note 35(d))	8	510
– Third parties	174,135	153,773
	174,143	154,283
Other payables		
– Related parties (Note (a) and Note 35(d))	190,461	136,050
– Receipts on behalf of tenants or residents (Note (b))	87,727	73,735
– Payables for promotion fees on behalf of owners of the commercial properties (Note (c))	37,100	35,473
– Deposits received (Note (d))	531,649	535,312
– Provision for claim	38,187	–
– Others	3,640	8,350
	888,764	788,920
Accrued payroll	74,730	68,508
Other tax payables	30,564	17,202
	1,168,201	1,028,913

- (a) The amounts due to related parties included utilities fees paid by the related parties on behalf of the Group of approximately RMB10,886,000 (2024: RMB13,139,000) and short-term lease payables of approximately RMB179,595,000 (2024: RMB122,911,000).
- (b) Amounts represented the receipts on behalf of tenants or residents to settle the bills of utilities charges.
- (c) The balance represented the receipts on behalf of owners of commercial properties to settle the expenses relating to promotion and marketing activities of car parks, common areas and advertising spaces.
- (d) Amounts mainly represented deposits received from tenants as performance securities in relation to tenant agreements or property management service agreements.
- (e) As at 31 December 2025 and 2024, the carrying amounts of trade and other payables approximated their fair values.

Notes to the Consolidated Financial Statements

30 TRADE AND OTHER PAYABLES (Continued)

- (f) As at the respective balance sheet date, the ageing analysis of the trade payables (including amounts due to related parties) based on invoice dates is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	160,768	138,993
1 to 2 years	3,809	6,175
2 to 3 years	5,181	6,755
Over 3 year	4,385	2,360
	174,143	154,283

Generally, no credit period is granted.

- (g) Trade and other payables (excluding accrued payroll and other tax payables) were denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	1,062,907	943,203

31 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets:		
– Deferred tax assets to be recovered after more than 12 months	45,288	76,789
– Deferred tax assets to be recovered within 12 months	142,615	81,409
	187,903	158,198
Deferred income tax liabilities:		
– Deferred tax liabilities to be recovered after more than 12 months	(1,081)	(522)
– Deferred tax liabilities to be recovered within 12 months	(200)	(200)
	(1,281)	(722)
	186,622	157,476

The net movements on the deferred taxation are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	157,476	90,892
Tax credited to profit and loss	29,146	66,584
At end of the year	186,622	157,476

Notes to the Consolidated Financial Statements

31 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets – allowance on doubtful debts RMB'000	Deferred tax assets – lease RMB'000	Deferred tax assets – tax losses RMB'000	Deferred tax assets – Impairment loss on investment in an associate RMB'000	Deferred tax liabilities/ assets – financial assets at fair value through profit or loss RMB'000	Deferred tax liabilities – leased commercial properties and leased in properties for operation RMB'000	Deferred tax liabilities – fair value of intangible assets RMB'000	Total RMB'000
As at 1 January 2025	81,409	317,674	1,945	–	263	(243,021)	(794)	157,476
Credited/(charged) to the income tax expenses	58,108	(166,218)	(1,701)	3,097	(760)	136,480	140	29,146
At 31 December 2025	139,517	151,456	244	3,097	(497)	(106,541)	(654)	186,622
As at 1 January 2024	26,550	248,913	3,695	–	106	(187,437)	(935)	90,892
Credited/(charged) to the income tax expenses	54,859	68,761	(1,750)	–	157	(55,584)	141	66,584
At 31 December 2024	81,409	317,674	1,945	–	263	(243,021)	(794)	157,476

As at 31 December 2025, the Group did not recognise deferred tax assets in respect of cumulative taxes losses of RMB112,215,000 (2024: RMB113,921,000), as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses shall expire in five years from year of occurrence under current tax legislation.

Unused tax losses for which no deferred tax asset was recognised as follows:

Expiry year	As at 31 December	
	2025 RMB'000	2024 RMB'000
2025	–	13,944
2026	18,948	18,948
2027	4,785	4,785
2028	76,244	76,244
2029	12,238	–
	112,215	113,921

Deferred income tax liabilities of RMB243,645,000 have not been recognised for the withholding taxes and other taxes that would be payable on the unremitted earnings of certain subsidiaries incorporated in the PRC (2024: RMB226,580,000). Unremitted earnings totalled RMB2,436,446,000 as at 31 December 2025 (2024: RMB2,265,801,000), as the Group does not have a plan to distribute these earnings out of the PRC in the foreseeable future.

32 CASH FLOW INFORMATION**(a) Cash generated from operations**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit before income tax	325,227	330,940
Adjustments for:		
Depreciation and amortisation (Note 7)	77,415	117,325
Impairment losses on financial assets (Note 3.1.2)	232,429	219,441
Impairment losses on investment properties (Note 16)	2,210	–
Impairment loss on investment in an associate (Note 19)	12,388	–
Share of results of joint ventures (Note 18)	14	(35)
Share of results of associates (Note 19)	(3,134)	(3,176)
Investment (gain)/loss – net (Note 15)	(3,038)	629
Shares Award Scheme and Shares Incentive Scheme – value of employee services (Note 27)	3,433	(65,181)
Gain on early termination of lease	(86,185)	–
Gain on disposal of a subsidiary (Note 33(a))	(47,666)	–
Loss on de-consolidation of a subsidiary (Note 33(b))	1,113	–
Foreign exchange losses (Note 9)	323	3,233
Finance costs (Note 10)	33,711	70,673
	548,240	673,849
Changes in working capital:		
Inventories	1,619	(1,018)
Restricted cash as guarantee for operating activities	(17,923)	(7,611)
Operating lease and trade receivables	(233,086)	(159,950)
Prepayments and other receivables	44,384	48,956
Trade and other payables	139,288	(68,453)
Contract liabilities and advances from lessees	5,378	(11,012)
	487,900	474,761

32 CASH FLOW INFORMATION (Continued)**(b) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000 (Note 29(a))	Total RMB'000
As at 1 January 2025		
Cash flows	1,270,698	1,270,698
– Outflow from financing activities	(71,399)	(71,399)
Non-cash changes		
– Termination of lease	(219,486)	(219,486)
– Disposal of a subsidiary (Note 33 (a))	(407,701)	(407,701)
– Finance expense recognised	33,711	33,711
As at 31 December 2025	605,823	605,823
As at 1 January 2024		
Cash flows	995,653	995,653
– Outflow from financing activities	(120,857)	(120,857)
Non-cash changes		
– Acquisition – leases	325,229	325,229
– Finance expense recognised	70,673	70,673
As at 31 December 2024	1,270,698	1,270,698

(c) Major non-cash transactions

As disclosed in Note 16, during the year ended 31 December 2025, the Group entered into agreements with certain customers, and the cost of the investment properties was settled using the operating lease and trade receivables of approximately RMB37,444,000.

33 DISPOSAL/DE-CONSOLIDATION OF SUBSIDIARIES

Year ended 31 December 2025

(a) **Xiamen Powerlong Shangsheng Commercial Management Company Limited**

During the year, Shanghai Powerlong Commercial Real Estate Management Company Limited (“Powerlong Commercial Real Estate”), a subsidiary of the Group, entered into a sale and purchase agreement to dispose of its entire 60% equity interest in its subsidiary, Xiamen Powerlong Shangsheng Commercial Management Company Limited (“Xiamen Shangsheng”), to an independent third party at a consideration of RMB6,000,000. The principal activity of Xiamen Shangsheng is engaged in commercial operations, which has had no significant impact on the turnover and results of the Group. The disposal was completed in July 2025.

The net liabilities of Xiamen Shangsheng as at the date of completion of the above transaction were as follows:

	Assets/liabilities RMB'000
Net liabilities disposed of:	
Property and equipment	233
Investment properties	352,224
Operating lease and trade receivables	130
Cash and bank balances	12,413
Trade and other payables	(8,455)
Lease liabilities	(407,701)
<hr/>	
Sub-total	(51,156)
Release of non-controlling interest	9,490
<hr/>	
	(41,666)
Cash consideration received	6,000
Gain on disposal of a subsidiary	(47,666)
<hr/>	
Net cash outflow arising on disposal:	
Cash consideration	6,000
Less: cash and bank balances disposal of	(12,413)
<hr/>	
	(6,413)
<hr/>	

(b) **Yiwu Xingyue Xiuhuli Commercial Management Company Limited**

On 26 June 2018, Zhejiang Powerlong Xinghui Commercial Management Company Limited (“Zhejiang Powerlong”), a subsidiary of the Group, and Zhejiang Yiwu Rural Economic Development Company Limited (“Zhejiang Yiwu”), an independent third party, entered into a Cooperation Agreement (the “Agreement”). The parties agreed to establish Yiwu Xingyue Xiuhuli Commercial Management Company Limited (“Yiwu Xingyue”) for the Yiwu Xiuhuli Commercial Centre Project, with Zhejiang Powerlong holding a 51% equity interest.

Following the termination of the Agreement and completion of handover arrangements, Zhejiang Powerlong lost control of Yiwu Xingyue. This included the loss of access to financial information and the ability to participate in shareholders’ meetings; consequently, Zhejiang Powerlong no longer directs the subsidiary’s relevant activities. As a result, Yiwu Xingyue ceased to be a subsidiary of the Group on 1 January 2025 and was de-consolidated from the Group’s financial statements effective that date.

33 DISPOSAL/DE-CONSOLIDATION OF SUBSIDIARIES (Continued)

Year ended 31 December 2025 (Continued)

(b) Yiwu Xingyue Xiuhuli Commercial Management Company Limited (Continued)

The net assets of Yiwu Xingyue Xiuhuli on the de-consolidation date is as follows:

	Assets/liabilities RMB'000
Derecognition of net assets represented by:	
Property and equipment	2
Prepayments and other receivables	142
Current income tax recoverables	6
Cash and bank balances	3,216
Trade and other payables	(1,183)
Sub-total	2,183
Release of non-controlling interest	(1,070)
Loss on de-consolidation	1,113
Net cash outflow arising on disposal:	
Cash and bank balances disposal of	(3,216)

34 LITIGATION

On 7 May 2025, Zhejiang Xinke Real Estate Development Co., Ltd. (the "Plaintiff") instituted civil proceedings (Case No.: (2025)浙0112民初4526号) before the People's Court of Lin'an District, Hangzhou City, against Shanghai Powerlong Commercial Real Estate Management Company Limited ("Defendant I"), an indirect wholly-owned subsidiary of the Company, and its Lin'an Qingshanhu Branch ("Defendant II").

The Plaintiff claims joint and several liability for (i) the outstanding rent, management fees, and utility charges totalling approximately RMB6,097,000 accrued as of 20 January 2025, (ii) penalties for breach of the tenancy agreement in the amount of approximately RMB31,090,000, and (iii) compensatory damages for alleged losses amounting to approximately RMB1,000,000.

The matter arises from a lease agreement dated 4 September 2019, executed between the Plaintiff, as the landlord, and Defendant II as the tenant, pursuant to which Defendant II leased the premises for a term of twenty years. On 11 November 2024, Defendant II issued a notice of termination to the Plaintiff, purporting to terminate the tenancy agreement effective as of that date. The Plaintiff alleges that Defendant II lacked the contractual right to terminate the agreement before the expiration of the stipulated term. The Company vacated the premises in December 2024.

Taking into account the opinion of the Group's lawyer, possible outcome, and their obligations for the above case, the Group has made a provision for a claim of approximately RMB38,187,000 for the year ended 31 December 2025, which is included in other payables as of 31 December 2025.

The Company would continue to exercise their due care in monitoring the progress of the case and would assess the adequacy of provision of claim and the financial impact to the Group as and when appropriate.

35 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue arising from provision of services (Note (ii))		
– Entities controlled by Mr. Hoi	222,895	230,611
– Entities jointly controlled by Mr. Hoi	11,975	26,182
	234,870	256,793
Office leasing expenditure		
– Entities controlled by Mr. Hoi	–	3,196
Short-term lease expenditure for car parks, common areas and advertising spaces		
– Entities controlled by Mr. Hoi	249,945	243,883
– Entities jointly controlled by Mr. Hoi	4,693	3,811
	254,638	247,694
Purchase of low-value consuming goods and others		
– Entities controlled by the Mr. Hoi	1,193	852
Purchase of information technology services		
– Entities jointly controlled by the Mr. Hoi	6,071	7,351

- (i) All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.
(ii) The provision of services mainly comprised of revenue from commercial operational services and residential properties management services.

(b) Free trademark license agreement

On 8 August 2019, a trademark licencing agreement was entered into between the Group and Powerlong Group Development Co., Ltd. (寶龍集團發展有限公司, "Powerlong Group Development"), pursuant to which Powerlong Group Development agreed to irrevocably and unconditionally grant to the Group the right to (i) use; and/or (ii) sub-license to a third party due to operational needs arising from its usual and ordinary course of business and other activities, certain trademarks registered in the PRC for a perpetual term commencing from the date of the trademark licencing agreement on a royalty-free basis.

(c) Key management compensation

Compensations for key management other than those for directors and supervisors as disclosed in Note 37 is set out below.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and other short-term employee benefits	5,765	2,828

Notes to the Consolidated Financial Statements

35 RELATED PARTY TRANSACTIONS (Continued)

(d) Balances with related parties

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables		
– Entities controlled by Mr. Hoi (Note (ii))	520,733	350,580
– Entities jointly controlled by Mr. Hoi	16,792	21,239
Less: loss allowance	(314,343)	(155,640)
	223,182	216,179
Prepayments (trade) (Note(i))		
– Entities jointly controlled by Mr. Hoi	20,788	24,949
	20,788	24,949
Other receivables		
– Entities controlled by Mr. Hoi (Note (ii))	208,578	207,074
– Entities jointly controlled by Mr. Hoi	2,289	2,630
Less: loss allowance	(123,315)	(87,780)
	87,552	121,924
Trade payables		
– Entities controlled by Mr. Hoi (Note (ii))	8	510
	8	510
Other payables (trade)		
– Entities controlled by Mr. Hoi (Note (ii))	183,574	129,632
– Entities jointly controlled by Mr. Hoi	6,887	6,418
	190,461	136,050
Contract liabilities		
– Entities controlled by Mr. Hoi (Note (ii))	9,105	6,546
– Entities jointly controlled by Mr. Hoi	2,122	4,665
	11,227	11,211

(i) The prepayments were in relation to a cooperation in information technology development with a joint venture of the Group.

(ii) Those balances belonged to the Remaining Powerlong Group.

Trade receivables, other receivables, trade payables, other payables and contract liabilities due from/to related parties were unsecured, interest-free and repayable on demand.

36 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Interests in subsidiaries		306,747	306,747
Current assets			
Cash and cash equivalents		86,623	21,386
Other receivables		1,291,178	1,291,538
Prepayments		2	248
		1,377,803	1,313,172
Total assets		1,684,550	1,619,919
Equity			
Capital and reserves attributable to shareholders of the Company			
Share capital and premium	25	1,014,085	1,004,400
Other reserves	36(a)	306,747	312,999
Accumulated losses	36(a)	(172,632)	(167,270)
Total equity		1,148,200	1,150,129
Current liabilities			
Other payables to third parties		2,649	4,153
Other payables to subsidiaries		533,701	465,637
		536,350	469,790
Total liabilities		536,350	469,790
Total equity and liabilities		1,684,550	1,619,919

The statement of financial position of the Company was approved by the Board of Directors on 30 March 2026 and was signed on its behalf by:

Hoi Wa Fong
Director

Hoi Wa Lam
Director

36 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

(Continued)

(a) Reserve movements of the Company

	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2025	312,999	(167,270)	145,729
Shares Award Scheme and Shares Incentive Scheme – value of employee service (Note 27)	3,433	–	3,433
Vesting of awarded shares	(9,685)	–	(9,685)
Loss for the year	–	(5,362)	(5,362)
As at 31 December 2025	306,747	(172,632)	134,115
As at 1 January 2024	403,353	(226,845)	176,508
Shares Award Scheme and Shares Incentive Scheme – value of employee service (Note 27)	(65,181)	–	(65,181)
Vesting of awarded shares	(25,173)	–	(25,173)
Profit for the year	–	59,575	59,575
As at 31 December 2024	312,999	(167,270)	145,729

37 DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S BENEFITS AND INTERESTS

(a) Directors' and chief executive officer's emoluments

The emoluments, except for the director's fee, of Mr. Hoi Wa Fong, an executive director of the Company in relation to his services rendered to the Group for the years ended 31 December 2025 and 2024 were borne by a related party of the Group. The emolument was not allocated to the Group as the management of the Company considers that there is no reasonable basis of allocation (2024: same).

Details of the emoluments paid by the Group to the directors of the Group and chief executive officer for the year ended 31 December 2025 are as follows:

Name	Fees RMB'000	Salaries RMB'000	Contributions to retirement benefit scheme RMB'000	Other allowance and benefits in kind RMB'000	Share-based payments RMB'000 (Note 26)	Bonus RMB'000	Total RMB'000
Executive Directors							
Mr. Hoi Wa Fong	240	-	-	-	-	-	240
Non-executive Directors							
Ms. Hoi Wa Fan	163	-	-	-	-	-	163
Ms. Hoi Wa Lam	163	-	-	-	-	-	163
Independent Non-executive Directors							
Ms. Ng Yi Kum, Estella	272	-	-	-	-	-	272
Mr. Chan Wai Yan, Ronald	272	-	-	-	-	-	272
Dr. Lu Xiongwen	272	-	-	-	-	-	272
Chief Executive Officer							
Mr. Xu Meng (Appointed on 21 January 2025 and resigned on 1 March 2026)	-	1,151	131	-	-	-	1,282
	1,382	1,151	131	-	-	-	2,664

37 DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S BENEFITS AND INTERESTS (Continued)**(a) Directors' and chief executive officer's emoluments** (Continued)

Details of the emoluments paid by the Group to the directors of the Group and chief executive officer for the year ended 31 December 2024 are as follows:

Name	Fees RMB'000	Salaries RMB'000	Contributions to retirement benefit scheme RMB'000	Other allowance and benefits in kind RMB'000	Share-based payments RMB'000 (Note 26)	Bonus RMB'000	Total RMB'000
Executive Directors							
Mr. Hoi Wa Fong	240	-	-	-	-	-	240
Mr. Chen Deli (Note (i))	200	1,000	121	-	-	-	1,321
Non-executive Directors							
Ms. Hoi Wa Fan	167	-	-	-	-	-	167
Ms. Hoi Wa Lam	167	-	-	-	-	-	167
Mr. Zhang Yunfeng (Note(ii))	96	-	-	-	-	-	96
Independent Non-executive Directors							
Ms. Ng Yi Kum, Estella	279	-	-	-	-	-	279
Mr. Chan Wai Yan, Ronald	279	-	-	-	-	-	279
Dr. Lu Xiongwen	279	-	-	-	-	-	279
	1,707	1,000	121	-	-	-	2,828

(i) Mr. Chen Deli had tendered his resignation as an executive director and the chief executive officer of the Company with effect from 1 November 2024. Thereafter, Mr. Chen Deli had ceased to hold any position in the Company.

(ii) Mr. Zhang Yunfeng had tendered his resignation as a non-executive director of the Company with effect from 27 August 2024. Thereafter, Mr. Zhang Yunfeng had ceased to hold any position in the Company.

During the years ended 31 December 2025 and 2024, no remuneration was paid by the Group to 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. Neither the Chief Executive Officer nor any of the directors waived any emoluments for the years ended 31 December 2025 and 2024.

(b) Directors' retirement benefits and termination benefits

During the year ended 31 December 2025, there were no termination benefits nor additional retirement benefit received by the directors except for the attributions to a retirement benefit scheme in accordance with the rules and regulations in the PRC (2024: nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025, the Group did not pay consideration to any third parties for making available directors' services (2024: nil).

37 DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S BENEFITS AND INTERESTS (Continued)

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

During the year ended 31 December 2025, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors (2024: nil).

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

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

38 CONTINGENCIES

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

39 COMMITMENTS

As at 31 December 2025, the Group's future aggregate minimum lease payments under non-cancellable short-term leases arrangements were RMB nil (2024: RMB nil).

40 EVENTS AFTER THE REPORTING PERIOD

No significant events affecting the Group have occurred after the reporting period and up to the date of approval of this report.

Five-Year Financial Summary

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Assets					
Non-current assets	758,210	1,261,438	980,199	929,602	809,983
Current assets	5,057,198	4,779,072	4,632,939	4,283,665	4,262,423
Total assets	5,815,408	6,040,510	5,613,138	5,213,267	5,072,406
Equity and liabilities					
Total equity	3,460,016	3,224,808	3,057,539	2,736,129	2,470,736
Liabilities					
Non-current liabilities	525,433	1,188,511	932,338	902,866	716,189
Current liabilities	1,829,959	1,627,191	1,623,261	1,574,272	1,885,481
Total liabilities	2,355,392	2,815,702	2,555,599	2,477,138	2,601,670
Total equity and liabilities	5,815,408	6,040,510	5,613,138	5,213,267	5,072,406

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	2,607,608	2,617,305	2,635,746	2,549,258	2,463,996
Cost of services	(1,793,912)	(1,783,353)	(1,748,725)	(1,714,836)	(1,642,166)
Gross profit	813,696	833,952	887,021	834,422	821,830
Selling and marketing expenses	(110,212)	(128,476)	(78,589)	(54,561)	(43,741)
Administrative expenses	(281,154)	(174,375)	(222,944)	(214,187)	(205,973)
Other income and other gains/(losses) – net	44,293	35,894	55,734	79,014	35,803
Gain on early termination of lease	86,185	–	–	–	–
Gain on disposal of a subsidiary	47,666	–	–	–	–
Loss on de-consolidation of a subsidiary	(1,113)	–	–	–	–
Provision for claim	(38,187)	–	–	–	–
Impairment losses on financial assets – net	(232,429)	(219,441)	(48,344)	(27,956)	(22,729)
Impairment losses on investment properties	(2,210)	–	–	–	–
Impairment loss on investment in an associate	(12,388)	–	–	–	–
Investment gain/(loss)-net	3,038	(629)	(1,248)	580	245
Operating profit	317,185	346,925	591,630	617,312	585,435
Finance income/(costs) – net	4,922	(19,196)	19,114	(4,341)	21,805
Share of results of joint ventures	(14)	35	(52)	(2,352)	665
Share of results of associates	3,134	3,176	996	2,778	742
Profit before income tax	325,227	330,940	611,688	613,397	608,647
Income tax expenses	(93,252)	(106,555)	(159,297)	(174,284)	(169,935)
Profit for the year	231,975	224,385	452,391	439,113	438,712
Total comprehensive income for the year	231,975	224,385	452,391	439,113	438,712
Profit and total comprehensive income attributable to:					
Shareholders of the company	233,516	216,016	452,952	443,075	438,144
Non-controlling interests	(1,541)	8,369	(561)	(3,962)	568
	231,975	224,385	452,391	439,113	438,712

2025 年報

寶龍商業管理控股有限公司
POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED

Powerlong Tower
1399 Xinzhen Road
Minhang District
Shanghai
PRC

中國上海市閔行區
新鎮路1399號寶龍大廈

19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hongkong

香港銅鑼灣希慎道33號
利園一期19樓

Website網址: www.powerlongcm.com