



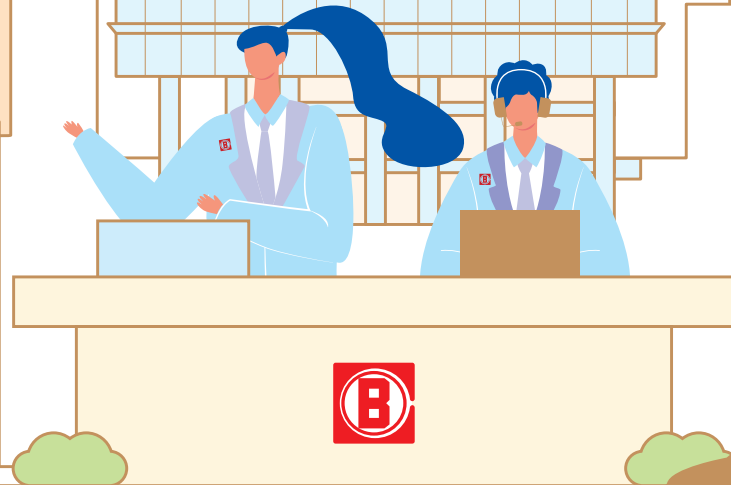
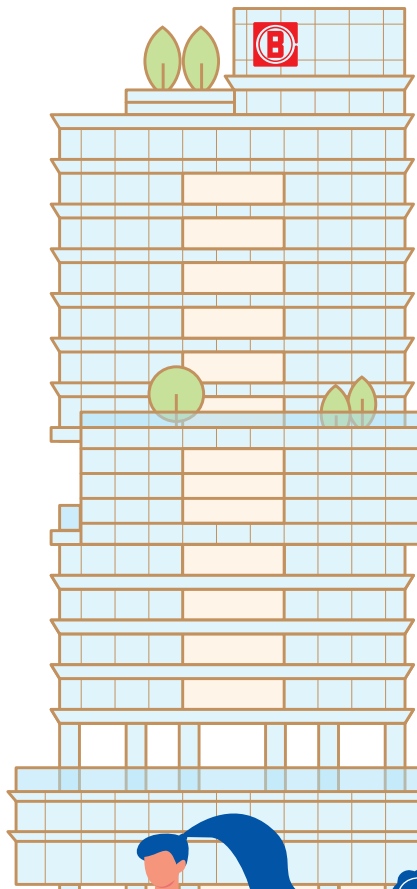
中海物業集團有限公司  
CHINA OVERSEAS PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)



Stock Code : 2669







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# CORPORATE INFORMATION

(As at 26 March 2026, date of this Annual Report)

## Board of Directors

### Executive Directors

Zhang Guiqing (*Chairman*)  
Xiao Junqiang (*Chief Executive Officer*)  
Kam Yuk Fai (*Chief Financial Officer*)

### Non-executive Directors

Guo Lei  
Ng, Yat Wing Athena

### Independent Non-executive Directors

Yung, Wing Ki Samuel  
Lim, Wan Fung Bernard Vincent  
Tsoi Wing Sing

## Committees

### Audit Committee

Yung, Wing Ki Samuel (*Chairman*)  
Lim, Wan Fung Bernard Vincent  
Tsoi Wing Sing

### Nomination Committee

Zhang Guiqing (*Chairman*)  
Yung, Wing Ki Samuel  
Lim, Wan Fung Bernard Vincent  
Tsoi Wing Sing  
Ng, Yat Wing Athena

### Remuneration Committee

Tsoi Wing Sing (*Chairman*)  
Zhang Guiqing  
Yung, Wing Ki Samuel  
Lim, Wan Fung Bernard Vincent

### Sustainability Steering Committee

Lim, Wan Fung Bernard Vincent (*Chairman*)  
Zhang Guiqing  
Xiao Junqiang  
Yung, Wing Ki Samuel  
Tsoi Wing Sing

## Authorized Representatives

Zhang Guiqing  
Xiao Junqiang  
Kam Yuk Fai (*alternate to Xiao Junqiang*)

## Company Secretary

Wong Yee Wah

## Independent Auditor

Ernst & Young  
*Certified Public Accountants and  
Registered Public Interest Entity Auditor*

## Registered Office

Cricket Square, Hutchins Drive,  
PO Box 2681, Grand Cayman KY1-1111,  
Cayman Islands

## Head Office and Principal Place of Business in Hong Kong

Suite 703, 7/F, Three Pacific Place,  
1 Queen's Road East,  
Hong Kong  
Telephone : (852) 2988 0600  
Facsimile : (852) 2988 0606

## Branch Office in Hong Kong

19th Floor, China Overseas Building,  
No.139 Hennessy Road and  
No.138 Lockhart Road, Wanchai,  
Hong Kong  
Telephone : (852) 2823 7088  
Facsimile : (852) 3102 0683

**Corporate Information (Continued)**

(As at 26 March 2026, date of this Annual Report)

**Principal Share Registrar and Transfer Office**

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive,  
PO Box 2681, Grand Cayman KY1-1111,  
Cayman Islands

**Hong Kong Branch Share Registrar and Transfer Office**

Tricor Investor Services Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road, Hong Kong

**Legal Advisors****As to Hong Kong laws**

Woo Kwan Lee & Lo

**As to Cayman Islands laws**

Conyers Dill & Pearman

**Principal Bankers**

*(In Alphabetical Order)*

Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd., Hong Kong Branch  
China Construction Bank Corporation  
China Merchants Bank Co., Ltd.  
The Hongkong and Shanghai Banking  
Corporation Limited

**Investor and Public Relations**

Corporate Communications Department

Telephone : (852) 2988 0600

Facsimile : (852) 2988 0606

Email : [copl.ir@cohl.com](mailto:copl.ir@cohl.com)

**Stock Code**

The Stock Exchange of 2669

Hong Kong\*

Bloomberg 2669:HK

Reuters 2669.HK

\* *Currently one of the eligible securities for Southbound Trading under the Shanghai – Hong Kong Stock Connect and the Shenzhen – Hong Kong Stock Connect*

**Company Website**

[www.copl.com.hk](http://www.copl.com.hk)

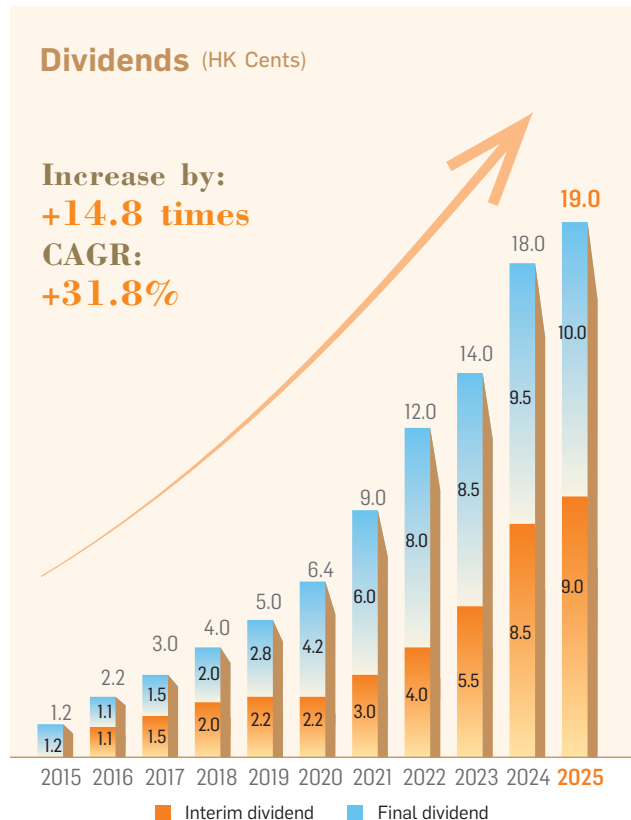
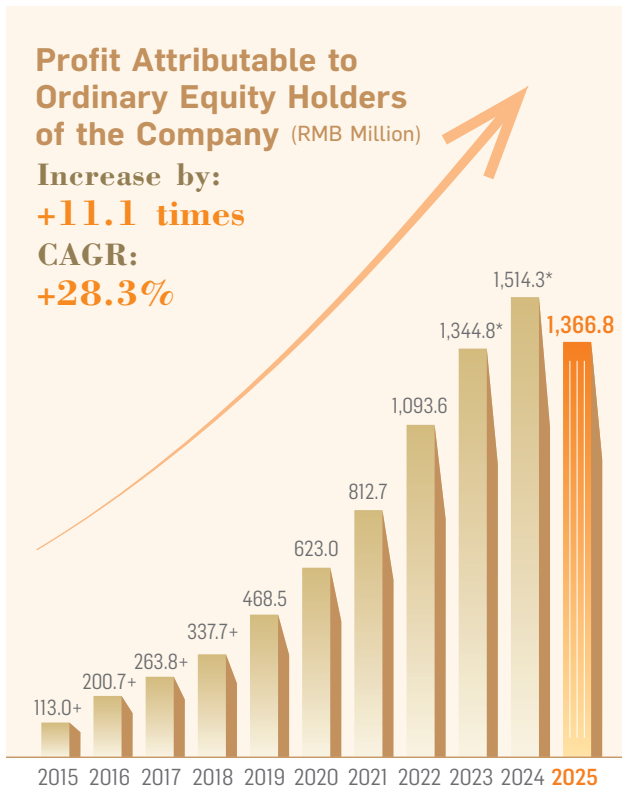
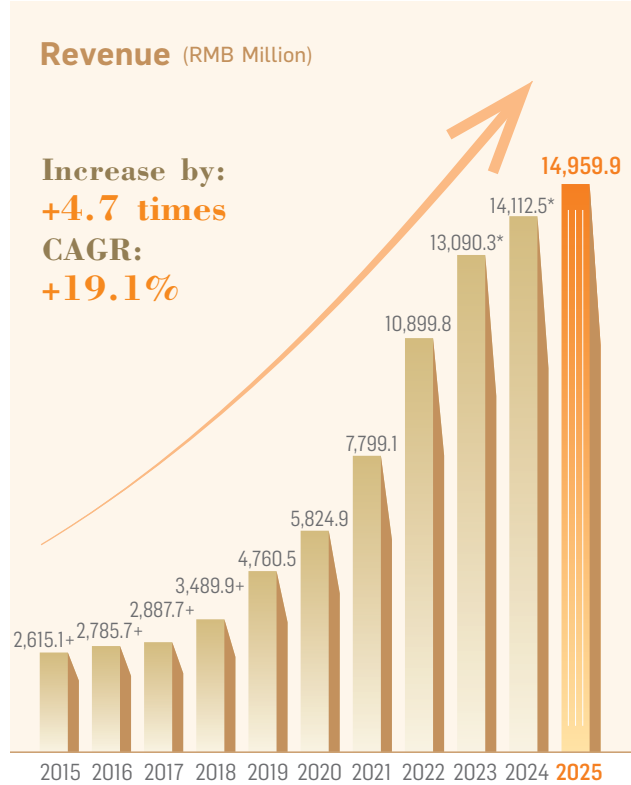
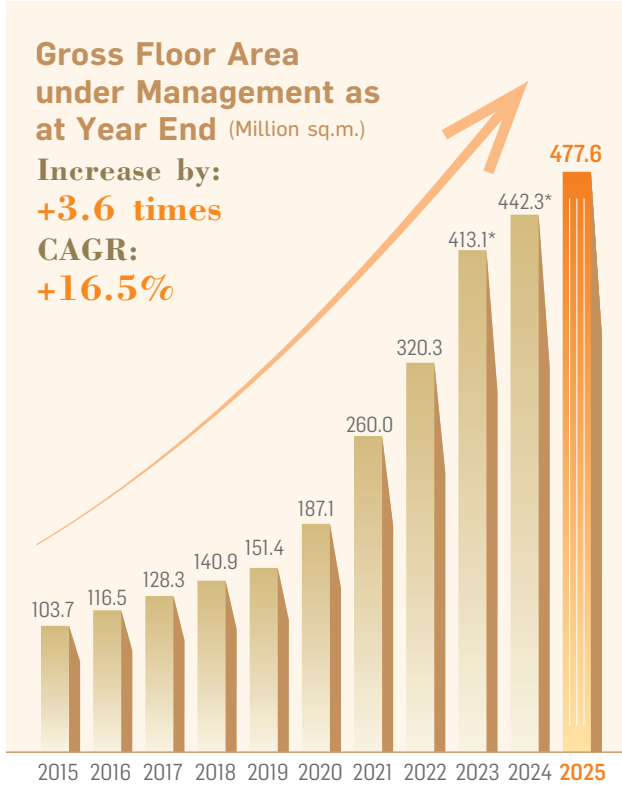
**Financial Calendar 2026**

Annual Results Announcement	26 March
Closure of Register of Members (Annual General Meeting)	11 June to 17 June (both days inclusive)
Annual General Meeting Voting and Attending Eligibility Record Date	17 June
Annual General Meeting	17 June
Final Dividend Ex-dividend Date	23 June
Closure of Register of Members (Final Dividend)	25 June to 29 June (both days inclusive)
Final Dividend Entitlement Record Date	29 June
Final Dividend Payment Date	15 July



# BUSINESS AND FINANCIAL HIGHLIGHTS

## A Decade's Review



CAGR: Compound Annual Growth Rate

\* Restated under merger accounting, for details, please refer to note 38 of the "Notes to the Financial Statements".

+ For presentation purpose, the consolidated results in prior financial years were restated upon the change in presentation currency of the Group's financial statements from HK\$ to RMB.

## Business and Financial Highlights (Continued)

	Formula	2025	2024	Change
<b>Operating Scale:</b>				
Gross floor area under management as at year end (million sq.m.)		477.6	442.3*	+8.0%
Employee headcount		38,042	38,760*	-1.9%
<b>Revenue (RMB million)</b>		<b>14,959.9</b>	14,112.5*	+6.0%
<b>Profitability &amp; Rates of Return:</b>				
Gross profit (RMB million)		2,247.3	2,336.9*	-3.8%
Profit attributable to ordinary equity holders of the Company (RMB million)		1,366.8	1,514.3*	-9.7%
Net Profit Margin	Profit for the year ÷ Revenue	9.2%	10.8%*	-1.6ppt
Earnings per share (RMB cents) (equivalent to HK cents)		41.62 (45.34)	46.10* (50.38)*	-9.7%
Dividends per share (HK cents) (excluding special dividend)		19.0	18.0	+5.6%
Payout ratio	Dividends per share (HK cents) ÷ Earnings per share (HK cents)	41.9%	35.8%#	+6.1ppt
Average return on equity	Profit attributable to ordinary equity holders of the Company ÷ Average capital and reserves attributable to ordinary equity holders of the Company	24.9%	32.9%*	-8.0ppt
<b>Liquidity:</b>				
Current ratio	Total current assets ÷ Total current liabilities	1.7	1.7*	+0.0
Debt-to-assets ratio	Total liabilities ÷ Total assets	54.2%	57.0%*	-2.8ppt

\* Restated under merger accounting, for details, please refer to note 38 of the "Notes to the Financial Statements".

# Payout ratio in 2024 was not restated under the effect of merger accounting.

# HIGHLIGHTS OF THE GROUP IN 2025

## JAN

### Convened 2025 Work Conference

China Overseas Property Holdings Limited ("COPL") convened the 2025 Work Conference, which systematically summarised the work achievements in 2024 and set out key initiatives for 2025. With a strategic approach centred on enhancing efficiency, improving quality, optimising market expansion, strengthening the workforce, and adhering to core principles, the Company strived to achieve the "14th Five-Year Plan" targets and laid a solid foundation for the "15th Five-Year Plan".



### Self-developed Product Won Gold Award at London International Invention Fair

"EdgeBrain" intelligent edge computing device participated in the 24th London International Invention Fair and won the international gold award.

EdgeBrain is an edge computing hub system device that can be applied to all park scenarios, providing more efficient solutions for park management and operation.

### Continuously Expanded Urban Space Business



In North China, COPL undertook the Tianjin Dongli District Western Area Environmental Sanitation Integration Project, providing full-chain environmental sanitation services including road sweeping, greening and cleaning, public toilet operation and maintenance, and garbage collection for eight streets (parks) in the district. In Central China, the Company entered the main campus of Central South University in Changsha, Hunan Province, providing integrated campus property management services including property management, environmental maintenance, and facility operation and maintenance for nearly 62,000 teachers and students of the university. In Hong Kong, the Company for the first time worked with the Harbour Office of Development Bureau to provide facility management service for East Coast Boardwalk underneath Island Eastern Corridor, further enriching its operation experience in international urban public spaces.



## Highlights of the Group in 2025 (Continued)

FEB

## Organised “Chinese History and Culture into Schools &amp; Communities” Campaign Launching Ceremony



COPL, in conjunction with the Sham Shui Po Residents Association, held the launching ceremony of the “80th Anniversary of Victory in the War of Resistance” campaign under the “Chinese History and Culture into Schools & Communities” initiative at Heung To Middle School (Kowloon Tong) in Hong Kong. During the year, the Company jointly organised patriotic education experience tour with the Sham Shui Po Residents Association, grouping 180 residents from the Sham Shui Po community to visit the Chinese People’s Liberation Army Hong Kong Garrison Exhibition Centre at Ngong Shuen Chau Barracks, reminiscing the history of the War of Resistance and comprehending the national feelings through on-site visits.

## Highlights of the Group in 2025 (Continued)

### MAR

#### Organised COPL Volunteer Exchange Group

The Company launched an exchange group with more than 60 volunteers, enhancing the understanding of Hong Kong and Macau volunteers on the technology development of the Greater Bay Area and deepening the cognition of Hong Kong and Macau youth on the national development strategy.



#### Implemented "Good Housing + Good Services" Initiative

The Company participated in the national key research and development programme project of the "14th Five-Year Plan" titled "Research and Demonstration on Key Technologies for Housing Quality Improvement", and participated in the compilation of core specifications including "Guidelines for Quality Housing Construction by the Ministry of Housing and Urban-Rural Development", "Technical Standard Measures for Quality Operation and Maintenance of CSCEC Good Housing Construction System", and "Technical Standard Measures for Quality Operation and Maintenance of China Overseas Good Housing". The Company studied the "Six Ones" service system of COPL and completed the "China Overseas Good Housing Corporate Standard — Good Services", providing solid technical support for the implementation of the "Good Housing + Good Services" initiative.

## Highlights of the Group in 2025 (Continued)

## APR

## Self-developed Product Included in CSCECL Technology Innovation Product List

The “Urban Space Intelligent Management Platform” independently developed by Xinghai IoT was included in the China State Construction Engineering Corporation Limited (“CSCECL”) technology innovation product list.



## Won Bid for Hong Kong Palace Museum Project

COPL won its first bid for the security services project at the Hong Kong Palace Museum, marking a major breakthrough in the Hong Kong and Macau cultural and tourism services sector.

## Won Bid for Hong Kong On Tat Estate Project

Hong Kong On Tat Estate is a large-scale public housing estate under the Hong Kong Housing Authority. COPL provides comprehensive property management services for its 9,285 units, continuously consolidating its leading market position in the Hong Kong public housing services sector.



## Highlights of the Group in 2025 (Continued)

MAY

### Xingqi Platform Showcased at 5th BEYOND International Technology Innovation Expo

The independently developed Xingqi Platform by COPL was showcased at the 5th BEYOND International Technology Innovation Expo, demonstrating the innovative practices of COPL intelligent space operation and solutions for multi-business property management.



### Held the 7th "COPL Skills Cup" Competition

The final of the 7th "COPL Skills Cup" Property Management Group Competition was held in Shenzhen. After three competition stages including the platform preliminary competition, the North-South Division semi-finals, and the group final, 15 contestants emerged, fully demonstrating the property management staff's pursuit of craftsmanship spirit.

### Provided Comprehensive Property Services for Beijing Language and Culture University



Beijing Language and Culture University is a key international university directly under the Ministry of Education, covering an area of approximately 340,000 sq.m. with a construction area of approximately 430,000 sq.m. and more than 10,000 teachers and students. COPL has set up three professional service lines, providing core services including conference services, cleaning services, and facility maintenance to fully ensure campus safety and comfort.

## Highlights of the Group in 2025 (Continued)

JUN

### Signed Strategic Cooperation Framework Agreement with Chongqing Liangjiang Investment Group

Mr. Zhang Guiqing, Chairman of the Board of Directors of COPL, and Mr. Liu Jun, Chairman of Chongqing Liangjiang Investment Group, attended the signing ceremony. The two parties will carry out in-depth cooperation in the fields of municipal services and intelligent operation of urban public spaces.



### Serving the World's Largest Single Airport Terminal

Guangzhou Baiyun International Airport is located in Baiyun District, Guangzhou City. As one of the world's largest single airport terminals and one of China's three major gateway composite hub airports, it consists of three terminals (T1, T2, T3) with a total gross floor area ("GFA") of approximately 1.56 million sq.m.. COPL provides operation and maintenance and/or cleaning services for the three terminals.

## Highlights of the Group in 2025 (Continued)

JUL

**Participated in 2025 China International Property Management Industry Expo**



"The China Overseas Proprietary Methodology in the Modernisation of Property Management" exhibition hall was showcased at the 2025 China International Property Management Industry Expo, systematically displayed the practical achievements of COPL in service standards, intelligent technology, and grass-roots governance, and provided the "China Overseas Solution" for the modernisation of the property management industry.

**Renewed Contract for Hong Kong Police Headquarters Building Project**



COPL successfully renewed the property management service contract for the Hong Kong Police Headquarters, continuing to provide comprehensive property management services for this iconic government facility, which fully demonstrates the high recognition of the Hong Kong Police Force for the quality services of COPL.

## Highlights of the Group in 2025 (Continued)

AUG

### For Eight Consecutive Years Ranked “China No. 1 Property Management Company by Brand Influence”

At the China Urban Development and Real Estate Innovation Forum hosted by China Real Estate Business, COPL was ranked “China No. 1 Property Management Company by Brand Influence” for eight consecutive years.



### Signed Strategic Cooperation Agreement with Tianshan Development



COPL held a signing ceremony for a cooperation agreement with Heshan Tianshan Metal Products Co., Ltd. (“Tianshan Development”). This cooperation focuses on areas including renovation of ageing community facilities, provision of second time renovation products and collaboration of engineering teams. It aims to activate the existing market through resource synergy and explore new value increments by leveraging complementary strengths.

### Landmark Projects of Diversified Business Formats Launched Successfully



COPL continued to expand its presence in urban operation and successively won bids for two major projects. As part of a consortium, the Company secured its first large-scale comprehensive urban space service project in Qingdao, providing integrated services including smart urban management, road cleaning, greening maintenance and order maintenance in Chengyang District. It also won the bid for the greening operation outsourcing project of the Nantai New Area in Weihai City, and the services included maintenance of urban green spaces, parks and beaches, further enhancing its operation and service capabilities in provincial-level new districts. In addition, the Company undertook the comprehensive management service project of the Former Residence of General Ye Ting and the Xian Xinghai Memorial Museum in Macau for the first time, fully demonstrating its professional capabilities in the comprehensive management of historical and cultural venues.

Highlights of the Group in 2025 (Continued)

SEP

Released COPL “Six Ones” Good Service System

The Company participated in the plaque presentation ceremony for the first batch of demonstration projects implementing the “Good Housing” development system organised by CSCEC. It launched COPL’s “Six Ones” Good Service System to the public and media, using “Good Services” to drive the transition from “adequate housing” to “quality housing”.



Prepared for and Responded to Super Typhoon “Ragasa”

Through a three-tier command and dispatch system, COPL achieved zero major property loss or casualties, and 100% of project emergency teams were on duty. This was recognised by a written commendation from Zhuhai Liaison Department of the Liaison Office of the Central People’s Government in the Macao S.A.R. and was featured in mainstream media including People’s Daily, Nanfang Daily, and Shenzhen Special Zone Daily.

## Highlights of the Group in 2025 (Continued)

SEP

### Successfully Completed Support Mission During the SCO Summit

The Shanghai Cooperation Organization (“SCO”) Summit 2025 was held in Tianjin. During the Summit, as the contractor of the integrated environmental sanitation project for the western area of Dongli District, Tianjin, COPL successfully completed the support mission for over 40 km of urban welcome route and was awarded a silk banner by the People’s Government of Dongli District, Tianjin.



### Won Bid for The Education University of Hong Kong Project

The Education University of Hong Kong is the largest tertiary institution specialising in teacher education in Hong Kong and is one of the city’s eight public universities. COPL has won its first bid for the University’s operation support and security services project, further enriching its service portfolio in the higher education sector.

## Highlights of the Group in 2025 (Continued)

## OCT

## Signed Strategic Cooperation Agreement with CSCEC North

COPL signed a strategic cooperation agreement with CSCEC Northern Construction & Investment Co., Ltd. ("CSCEC Northern"). The two parties will conduct in-depth cooperation in areas such as improvement of urban functions, public service operation and environmental remediation.



## Held the 10th Anniversary of Listing Development Forum



The 10th Anniversary Listing Development Forum of COPL, themed "Ten Years of Steady Progress, Win-Win for Long-Term Development", was successfully held in Shenzhen. The event comprehensively and multi-dimensionally showcased the Company's achievements over the decade since its listing, as well as its vision and determination for future development.

At the forum, COPL officially launched its "Comprehensive Urban Space Operation Services" product. By integrating resources, renewing governance and gathering talents, the Company has built a "4+6+N" full-life-cycle product system to serve as a "good helper to the government" and a "good steward of the city", making cities better and citizens happier. Meanwhile, the Company launched the "Qianyi Centralized Procurement" urban space procurement platform. Through market-oriented operation, data accumulation and ecological synergy, the platform establishes a resource network for urban operations, strengthens core competitiveness in the urban space sector, helps improve quality and efficiency across the industry, and together deliver better city living.

## Highlights of the Group in 2025 (Continued)

NOV

**Held Exchange Seminar with Shenyang Jianzhu University**

COPL held an exchange seminar with Shenyang Jianzhu University in Shenzhen. The two sides conducted in-depth discussions on the development of the university and the enterprise, talent cultivation, school-enterprise cooperation, jointly signed a school-enterprise cooperation agreement and held a plaque presentation ceremony for the "Talent Cultivation Base."

**Acquired Landmark Projects and High-end Commercial Services Project**

The Company secured a landmark project in Beijing, undertaking professional operation and maintenance of the technical systems at the National Centre for the Performing Arts, including heating, ventilation and air-conditioning, water supply and drainage, and lighting systems, further highlighting its service system and technical support capabilities for national-level high-end facilities. In the high-end commercial sector, the Company commenced operations at the Sino-Ocean Tower in Shanghai, providing services covering engineering, security, cleaning, greening and customer service, etc. Located in the core business district of People's Square, Huangpu District, Shanghai, the project has a GFA of approximately 78,000 sq.m. and a height of 26 storeys. It has been awarded national architectural prizes including the "Magnolia Award" and the "Luban Award". Being selected to serve such landmark buildings confirms COPL's comprehensive capabilities in serving high-end commercial projects.

## Highlights of the Group in 2025 (Continued)

## DEC

## Visited the Mayor of Tianjin

Mr. Zhang Guiqing, Chairman of the Board of Directors of COPL, paid a visit to the Vice Mayor of Tianjin. The two parties engaged in in-depth discussions focused on strengthening government-enterprise collaboration, broadening urban service reach, advancing integrated city management, and fostering high-quality urban development.



## Helping Tai Po Fire-Affected Residents Resettle

Following the fire incident at Tai Po Wang Fuk Court, in accordance with the requirements of the Hong Kong SAR Government, the Company mobilised more than 500 employees to complete support tasks at four temporary accommodation centres and three resettlement projects, serviced nearly 700 affected residents, cleaned nearly 5,000 resettlement units. Additionally, COPL and its employees made a cumulative donation of close to HK\$4 million.

## Provided Services for Hong Kong Immigration Service Institute of Training and Development and Castle Peak Bay Immigration Centre



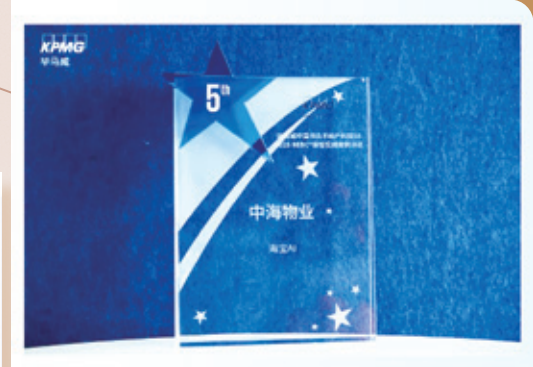
COPL officially took over the Immigration Service Institute of Training and Development and Castle Peak Bay Immigration Centre projects in Hong Kong, providing three years of professional security services to safeguard the efficient operation of training facilities.

## Highlights of the Group in 2025 (Continued)

## DEC

### Won KPMG China Leading PropTech 50 AI Breakthrough Award

The announcement ceremony and awards presentation of KPMG China's Leading PropTech 50 list was held in Shenzhen. The selection aimed to identify industry benchmarks that deeply integrate AI into business operations to achieve dual leap in efficiency and experience. With the outstanding performance of "Haibao AI" in business practice, COPL was successfully selected into the "2025 REBCA AI New Intelligence Practice" Case and awarded the "AI Breakthrough Award".



### Deepening Comprehensive Services for Enterprise Parks



The Company undertook two major projects of ZTE Corporation, namely the Nanjing Yuhua Park and Heyuan Base, providing for the leading global integrated communications solutions provider with comprehensive campus services including security, cleaning, greening and facility maintenance, continuously deepening its professional operation capabilities in the field of high-tech enterprise parks.

# HONOURS AND AWARDS OF THE GROUP IN 2025



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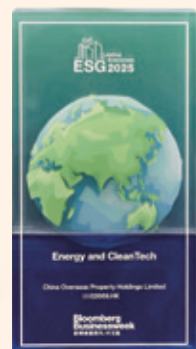
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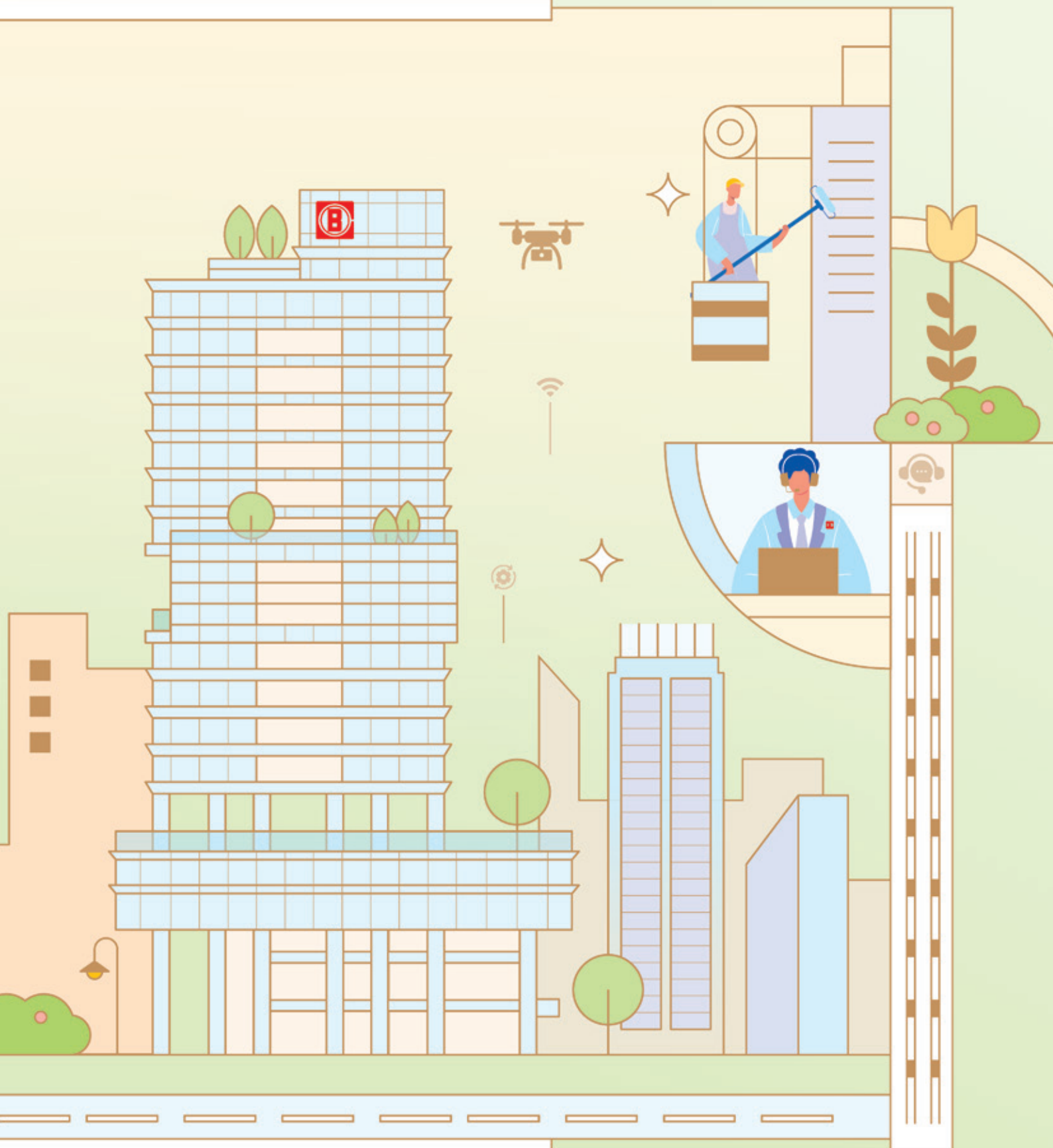
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## Honours and Awards of the Group in 2025 (Continued)

No.	Top 100	Issuing Authority
1	Top 3 of 2025 TOP100 Property Management Companies in China	Beijing China Index Academy
2	Top 1 of 2025 Top 100 Property Service Companies in China	CRIC Property & Management Division
3	Top 2 of 2025 Top 100 State-owned Property Management Companies in China	CRIC Property & Management Division
No.	Listed Central State-owned Enterprise	Issuing Authority
4	Top 3 of 2025 China TOP 10 Listed Property Management Companies in terms of Comprehensive Strength	Beijing China Index Academy
5	2025 Leading Listed Company of Property Management Service by High-quality Development	CRIC Property & Management Division
6	2025 China Listed Companies Yinghua Award Hong Kong Stock Value Investment Exemplary Case	China Fund
7	2025 China TOP 10 Listed Property Management Companies in terms of Scale No.4	Beijing China Index Academy
No.	Brands	Issuing Authority
8	China NO.1 Property Management Company by Brand Influence	China Real Estate Business
9	2025 Top 100 of Most Valuable Brand of China Property Management Service	CRIC Property & Management Division
10	2025 China Property Management Service Leading Quality Brand	Beijing China Index Academy
11	2025 China Property Management Service Award for Professional Operation Excellence	Beijing China Index Academy
No.	Sustainability	Issuing Authority
12	2025 China Excellent Property Management Company by ESG Development	Beijing China Index Academy
13	2025 China Leading Property Management Company in ESG and Sustainable Development	CRIC Property & Management Division
14	ESG Corporate Communication Award	Master Insight x ESG Research Centre, Hang Seng University
15	2025 China Listed Companies Yinghua Award Hong Kong Stock ESG Exemplary Case	China Fund
16	Award of Excellence in ESG	The Chamber of Hong Kong Listed Companies
17	ESG Leading Enterprise	Bloomberg Businessweek/Chinese Edition
18	Energy and CleanTech	Bloomberg Businessweek/Chinese Edition

# CHAIRMAN'S STATEMENT





## CHAIRMAN'S STATEMENT



I am pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the "Group" or "COPL") for the year ended 31 December 2025. The annual revenue of the Group was RMB14,959.9 million, representing an increase of 6.0% as compared to RMB14,112.5 million\* of last year. Operating profit decreased by 9.5% to RMB1,828.1 million (2024: RMB2,019.0 million\*). The profit attributable to ordinary equity holders of the Company decreased by 9.7% to RMB1,366.8 million (2024: RMB1,514.3 million\*). Basic and diluted earnings per share was RMB41.62 cents (equivalent to approximately HK45.34 cents) (2024: RMB46.10 cents\* (equivalent to approximately HK50.38 cents\*)). Average return on equity was 24.9% (2024: 32.9%\*). After taking into account industry conditions, the Company's dividend policy, capital market expectations, the business results for the year and future business development needs, the Board recommended the declaration of a final dividend of HK10.0 cents (2024: HK9.5 cents) per share for the year 2025. Together with the interim dividend of HK9.0 cents (2024: HK8.5 cents) per share distributed in October 2025, total dividends (excluding the declared special dividend of HK1.0 cent for the Company's 10th anniversary of listing) for the year will amount to HK19.0 cents per share (2024: HK18.0 cents) for the year 2025, representing an increase of 5.6% as compared to last year. The proposed final dividend is subject to the approval by the shareholders of the Company at the annual general meeting to be held on 17 June 2026 (the "2026 AGM").

Note\*: Comparative figures were restated upon business combination under common control of China Construction Property Management Co., Ltd. (中建物業管理有限公司).

**Mr. Zhang Guiqing**  
Chairman and Executive Director



## Chairman's Statement (Continued)

In 2025, global economic growth slowed amid a rapidly shifting international trade and economic landscape. Rising unilateralism and protectionism, coupled with intensifying geopolitical tensions, dealt a significant blow to the multilateral trading system. Domestically, China's economy underwent profound transformation, with underlying structural challenges becoming increasingly evident, while growth drivers from consumption and investment showed signs of fatigue. Against this backdrop of domestic and international pressures, China, as the world's second-largest economy, leveraged its formidable economic momentum to advance under pressure. The country continued to steer towards the direction of new drivers and quality development, demonstrating strong resilience and robust vitality. During the year, the real estate market remained in a state of adjustment, causing the incremental market in the property management industry scaled back and pressure on profit margin. With a reshaping market logic and intensifying competitive landscape positioned, the industry was at a critical stage of transformation. In this new competitive landscape characterised by a shift from incremental development to managing existing portfolio, a return to the fundamentals of service provision, and an emphasis on enhancing service value, opportunities and challenges coexist. Yet for those who respect market principles and are dedicated to their mission, opportunities certainly outweigh challenges. The property management industry is highlighted explicitly in the proposed 15th Five-Year Plan for the first time, reflecting its significance to society and people's livelihoods. Property management enterprises are expected to play a more integrated role in national strategies such as urban renewal, grassroots governance, and public welfare. We firmly believe that the supporting conditions and fundamental trend remain unchanged for China's positive economic outlook in the long run. The economy will continue to advance towards greater "quality" in its structure, "new" sources for its momentum, and an overall "positive" trajectory in its development.

In 2025, COPL, as a leading property management enterprise, leveraged its resource endowment, branding advantages, economies of scale and long-term accumulated operating strengths, to reinforce its leading position. Entering into a new phase of industry development, the coverage of service targets of property management enterprises has been extended from small communities or neighbourhoods (being the basic units of urban construction) to large cities formed by countless basic units. We will vigorously develop the integrated service operation of urban space that co-exists with the logic of urban system. We will strive to become not only a manager of urban buildings, but also an operator of urban basic services as well as a dedicated participant in upgrading urban services, with a view to promoting the unity of the three dynamics: the grassroots governance of the government, the management of owners' rights and interests, and the commercial behaviour of enterprises.



## Chairman's Statement (Continued)

As an avant-garde in the property management industry in China with first-class qualifications, COPL started its property management service in Hong Kong in 1986, with 40 years of cultivation in Hong Kong and Macau. We set foot in Mainland China in 1991 and have achieved remarkable results. The Group fully integrates the property management experiences in Hong Kong into the practical situation in Mainland China. We firmly believe in "Quality and Enthusiasm", and adhere to the enterprise spirit of "To Forge Ahead with All One's Heart Everyday" to attain well-rounded improvement in capabilities, the core value of "Customer-Oriented, Quality Assurance and Value Creation" to fulfill our mission and move towards our vision. We stay true to our mission and implement prudent measures with perseverance. We are committed to achieving long-term sustainable and steady growth for our shareholders by cultivating the quality of our services and seeking win-win cooperation. In 2025, COPL adopted a strategic approach centred on enhancing efficiency, improving quality, optimising market expansion, strengthening the workforce, and adhering to core principles to make solid progress in its high-quality development. From the perspective of serving the overall development, we implemented the spirit of the Central Urban Work Conference to help build modern people-centered cities, and steadily promote actions to improve property management service quality. During the year, we cultivated key markets, improved scale and quality, and achieved rapid growth in market expansion, while vigorously expanding our city services. We remained customer-centric, forged quality benchmarks, strengthened brand leadership continuously, and further consolidated our industry position. We advanced reform and innovation, continuously optimised organizational structure, and accelerated digital transformation.

COPL continued to cultivate the quality and efficiency of its basic services and continuously improve the quality of project performance in order to enhance customer satisfaction. As at the end of 2025, COPL had presence in a total of 164 cities, including Hong Kong and Macau, with 2,356 property management projects, a service area of over 478 million sq.m., and a current workforce of approximately 38,042 employees. The Group serves over 100 corporate customers which are the world's top 500 companies, and has become the most reliable business partner of central state-owned enterprises ("CSOE(s)"), state-owned enterprises, and private enterprises.

We cultivated our basic services, improved diversified service capabilities, covered four major segments, namely residential, commercial, public properties and urban services. Our portfolio spans residential properties, commercial complexes, office buildings, shopping malls, hotels, industrial and logistics parks, hospitals, schools, government properties, city services, parks, ports, aviation, high-speed rail, roads and bridges, bus terminus and other public facilities. During the year, we expanded our portfolio with high-quality new projects, with a key focus on commercial, public properties, and urban services. In the commercial sector, new contracts include Zhongxing Telecommunication Equipment ("ZTE") Yanta Park in Xi'an, ZTE Yuhua Park in Nanjing, ZTE Base in Heyuan, and Sion-Ocean Tower in Shanghai, representing a new milestone for our large customer services. For the public properties sector, new contracts include Central South University, Beijing Language and Culture University, Space Engineering University, Dalian University of Technology, Shenyang Pharmaceutical University, Hainan Medical University, Shenzhen Longhua District People's Hospital and Nantong First People's Hospital. In the urban services sector, we secured a new contract for the Tianjin Dongli District Western Area Environmental Sanitation Integration Project. In Hong Kong and Macau, we won bids for a series of cultural, tourism, and arts projects, including the Hong Kong Palace Museum and Hong Kong Arts Development Council Headquarters. We won the bid for the Hong Kong Eastern Harbourfront Promenade, marking a new chapter in urban operations. We also signed contracts for the North District Temporary Wholesale Market for Agricultural Products, achieving 100% coverage of wholesale food markets under the authority of the Agriculture, Fisheries and Conservation Department of Hong Kong. We also secured the Kowloon East and Kowloon West Regional Headquarters and the Detective Training Centre under the Police College of the Hong Kong Police Force. Meanwhile, we signed and renewed contracts for Hospital Authority Head Office in Hong Kong and 20 public hospitals under its management, rendering us the largest property management service provider for the Department of Health in Hong

## Chairman's Statement (Continued)

Kong. We have started to provide services for the main campus of The Education University of Hong Kong and "The Create" of The Hang Seng University of Hong Kong, establishing our presence in Hong Kong's higher education institutions. Maintaining our position as the largest property management service provider in Hong Kong and the largest Chinese property management service enterprise in the Hong Kong and Macau regions, we consistently rank 1st in market share in Hong Kong's property management market.

COPL continued to advance its value-added services, strategically focusing on eight key areas: community assets, leasing and sales, home improvement, home living services, operations and maintenance management, energy management, Qianyi centralized procurement, and research and development. Through these efforts, we aim to meet the essential needs of customers and provide services that enhance quality of life.

The Group's brand of community value-added services, "UN+" (優你互聯), pivots around the "Property Management + Living Services" strategy to focus on the full lifecycle needs of community families. We have established three primary operational models, namely, community area operations, property value-added services, and community living services. We offer hundreds of convenience services, including asset operations, property leasing and sales, home renovation, housekeeping, retail, tourism and leisure. By continually optimising the customer experience, we aim to provide an integrated, innovative, and high-quality lifestyle for residents. In line with our commitment to high-quality development, "Haibo Engineering" (海博工程), our brand of engineering value-added services focuses on four core business areas: real estate services, smart operations, energy management, and procurement. Our business scope includes elevator modernisation and retrofitting, supply chain services, energy performance contracting, energy-saving renovations, facility management, and new energy charging infrastructure. Adhering to integrated planning centered on industrial chains and promoting differentiated and collaborative development, we leverage our strengths in brand, service, and technology to drive the development of new industries, business models, and growth drivers. This approach accelerates the comprehensive upgrading of the property engineering value-added sector. "Hainawanshang" (海納萬商), our brand of commercial services, continues to cultivate its position in segments, such as office buildings, commercial complexes, hotels, industrial parks and large-scale government and public buildings, thereby establishing strong cooperation with leading corporate clients across multiple industries and providing professional one-stop commercial property management services. As an industry leading enterprise in commercial property management with a strict adherence to international standards, it has made multifaceted efforts to enhance its capability to provide standardised basic services. Under the premise of full coverage of its projects' life cycle, emphasis has been put on its capabilities of integrated management, commercial resource exploration, and smart construction development for typical projects. It has also paid close attention to the diversified needs of customers, with the new development driver supported by its asset operations across the entire business chain.

"Xinghai Wulian" (興海物聯), our technological subsidiary, empowers the core business with technology to strengthen the brand's core value. With the emergence of "Xingqi Digital Platform" (星啟數字化平台) through the integration and upgrade of the project operation and management platform and the big data management platform, it has developed a brand-exclusive digital service ecosystem to empower high-quality development and achieve digital transformation. Leveraging the business direction in urban operations and the core technology accumulation of "Xingqi" (星啟), "Xinghai Wulian" offers standardised smart property management solutions for key segments, such as hospitals, schools, urban streets and the commercial sector, enhancing our technology competitiveness in market expansion. With successful project implementation in multiple segments and smooth deployment and application of key projects, it has received high recognition from partners. In terms of continuous breakthroughs in the innovation field, the self-developed "Xingqi Smart Urban Operation Management Platform" (星啟城市運營智慧管理平台) was included in CSCECL's technology innovation product list. During the year, it obtained numerous patents and software copyrights, and published a paper in

## Chairman's Statement (Continued)

a major Chinese journal. "Xingqi Smart Space Product System" (星啟智慧空間產品體系) won multiple technology awards, and "EdgeBrain" received a gold award at the London International Invention Fair, demonstrating our core technical strength.

With the corporate mission of "We Manage Happiness", COPL adheres to the performance pledge of "Property Assets to be Entrusted" to create new service capabilities within the industry and endeavour to become an integrated service operator for urban space. We put forward our brand proposition of "Good Seasons, Good Property, Good Community" (collectively, the "Three-Good"). "Good Seasons" reflects our property management capability in that we can, through quality products and services, create a wonderful living experience with a sense of belonging and provide customers with a pleasant living environment where they can live and work in contentment; "Good Property" reflects our customer service capability in that we can respond efficiently, predict demands and establish deep and long-term relationships with our property owners, customers, employees, partners and the government; "Good Community" reflects a sense of ownership that allows property owners, the property management enterprise and the communities to build a neighbourhood governed and enjoyed by all under the spirit of "Everyone Owns and Takes Responsibilities". The "Three-Good" depicts a visionary prospect of "COPMPM", which addresses the concerns and expectations of our customers, to whom we realise our promise on value, the industry, to whom we project our strategies outward, and the society, to whom we fulfil our responsibility as a corporate citizen.

In 2025, COPL's brand influence continued to strengthen as it was awarded "China NO.1 Property Management Company by Brand Influence" for eight consecutive years. The Group was also awarded "2025 Leading Listed Company of Property Management Service by High-quality Development", "Top 1 of 2025 Top 100 Property Service Companies in China", "Top 3 of 2025 China TOP 10 Listed Property Management Companies in terms of Comprehensive Strength", and "2025 Top 100 State-owned Property Management Companies in China NO.2", etc. Meanwhile, the Group was included as a constituent in the MSCI China All Shares Small Cap Index and continued to be included in the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programs, as well as the Hang Seng Property Service and Management Index, receiving high recognition from the capital market. COPL has always upheld the sustainable development philosophy, and integrates ESG into every aspect of production and operations, actively fulfilling responsibilities as a CSOE. With our outstanding performance in environment, society and governance, the Group was awarded the "2025 China Leading Property Management Company in ESG and Sustainable Development", "2025 China Excellent Property Management Company by ESG Development", "ESG Leading Enterprise" and "2025 China Listed Companies Yinghua Award Hong Kong Stock ESG Exemplary Case" and other prestigious honors.

COPL insists on the strategy of "Strengthening Enterprises through Deploying Talents", follows the talent management concept of "To Assemble the Enterprising Ones and Motivate the Promising Ones", regards employees as the driving force behind our growth and value creation, and builds a five-in-one human resources management system of "Strategy, Organisation, Talent, Mechanism and Culture". Through three key initiatives, it promotes the idea of "Strengthening Enterprises through Deploying Talents" and inject long-term momentum for sustainable corporate growth. First, it strengthens organisational governance with "securing business, prioritising efficiency and focusing on function" as the main objective of organizational adjustment. It continues to promote flexible scaling of the structure of regional branches to enhance organizational effectiveness. Second, it focuses on key talents with multiple measures including dedicated training programmes. The "Leadership Programme" focuses on leadership personnel to improve their leadership, competency and execution. The "Navigation Programme" covers the full cycle development of selecting, nurturing and retaining project managers, with over 1,400 participants throughout the year, consolidating the talent reserve for its core businesses. The "Sailing Programme" cultivates management trainees with high potential to empower their growth. The "Torch Passing Scheme" empowers over 600 tutors to establish a recognised brand of

## Chairman's Statement (Continued)

instruction courses for the Group. It remains committed to promoting business talent empowerment and developing professional advantages through routine task training, skill certification, etc. Third, it takes forward strategic implementation, pivots around the talent planning objective of "COPMPM", and pursues substantial improvements in revenue and profit per capita compared with the end of the 13th Five-Year Plan period, thereby achieving the goal of building a talent team with reasonable size, balanced structure, high quality, excellent energy and good efficiency.

2025 marks the conclusion of the "14th Five-Year Strategic Plan" of the Group. Looking back at the "14th Five-Year Plan", COPL responded to challenges, seized opportunities, strengthened competency, and made steady progress, taking forward reform to a new level.

Over these five years, we have diligently pursued three strategic priorities, steadfastly advancing our development strategy and reinforcing our reputation as the "No. 1 Butler", thereby achieving remarkable leapfrog growth. We have expanded from residential communities to urban space, moving beyond the boundaries of residential compounds and continuously extending our services across residential, commercial, public properties, and urban services, while actively advancing into urban operations, establishing integrated capabilities designed to serve cities in their entirety. At the same time, we have evolved from providing community services to supporting grassroots governance, staying true to our original mission and setting the benchmark for CSOEs in ESG practices, demonstrating COPL's commitment to safeguarding livelihoods, promoting employment, and serving society. In parallel, we have transformed from labour-intensive operations to intelligent property management, leveraging technological innovation to drive change, implementing smart property systems, developing five digital platforms centred on project operations, creating multi-segment-specific intelligent service scenarios, and building a portfolio of core technology intellectual property. Guided by these strategic priorities, COPL has doubled its area under management, revenue, and profit attributable to shareholders, while achieving significant gains in per-capita efficiency and continuous reductions in administrative expense ratio. Our growth reflects a balanced approach, combining organic growth with market expansion and basic services with value-added services, firmly consolidating our market position. We have re-established our leadership in the industry's top tier and stand as the only property management company recognised by the State-owned Assets Supervision and Administration Commission of the State Council as an Outstanding Service Brand under the Chinese Central State-owned Enterprises' Initiative: Lead with Brand.

During the "14th Five-Year Plan" period, COPL seized the window of industry development and achieved sustained, balanced, and healthy high-quality development. In response to the industry transformation during the "15th Five-Year Plan", we will firmly pursue both stability and innovation: adhering to prudent operations, while improving quality and efficiency; insisting on cultivating new business drivers and seeking new sources of revenue. In the new era of high-quality industry development, we combine national strategic guidance, industry development trends and our own core advantages to devise a scientific layout for the "15th Five-Year Plan" by formulating the "1345" strategic plan: guided by our commitment to firmly ranking in the industry's top tier in overall strength and striving to achieve industry leadership, we place our customers at the heart of everything we do, continuously refining our business model and focusing on three core segments: residential services, non-residential services, and innovative value-added services. This approach allows us to meet the diverse needs of multiple scenarios and client groups with precision. At the same time, we will strengthen four essential business systems, namely excellence in services, investment and expansion, operations, as well as organisation, thereby creating a resilient and highly efficient internal capability. Complementing this, we will develop five integrated business ecosystems encompassing key client relationships, project management, smart property, partner management, and shared service centres, enabling us to enhance internal efficiency while extending high-quality capabilities externally. Through these efforts, we will leverage our own high-quality development to support the transformation and upgrading of the industry.

## Chairman's Statement (Continued)

Entering 2026, COPL will attach importance to stability and innovation and focus on the strategic plan of "stabilising growth, improving quality, promoting innovation, strengthening personnel and safeguarding the bottom line", thereby ensuring a strong start for the "15th Five-Year Plan" with strategic guidance. We will emphasise breakthroughs to tackle key and difficult issues; make comprehensive progress in a coordinated manner with systematic thinking; and strengthen organisational security to continuously stimulate internal growth momentum.

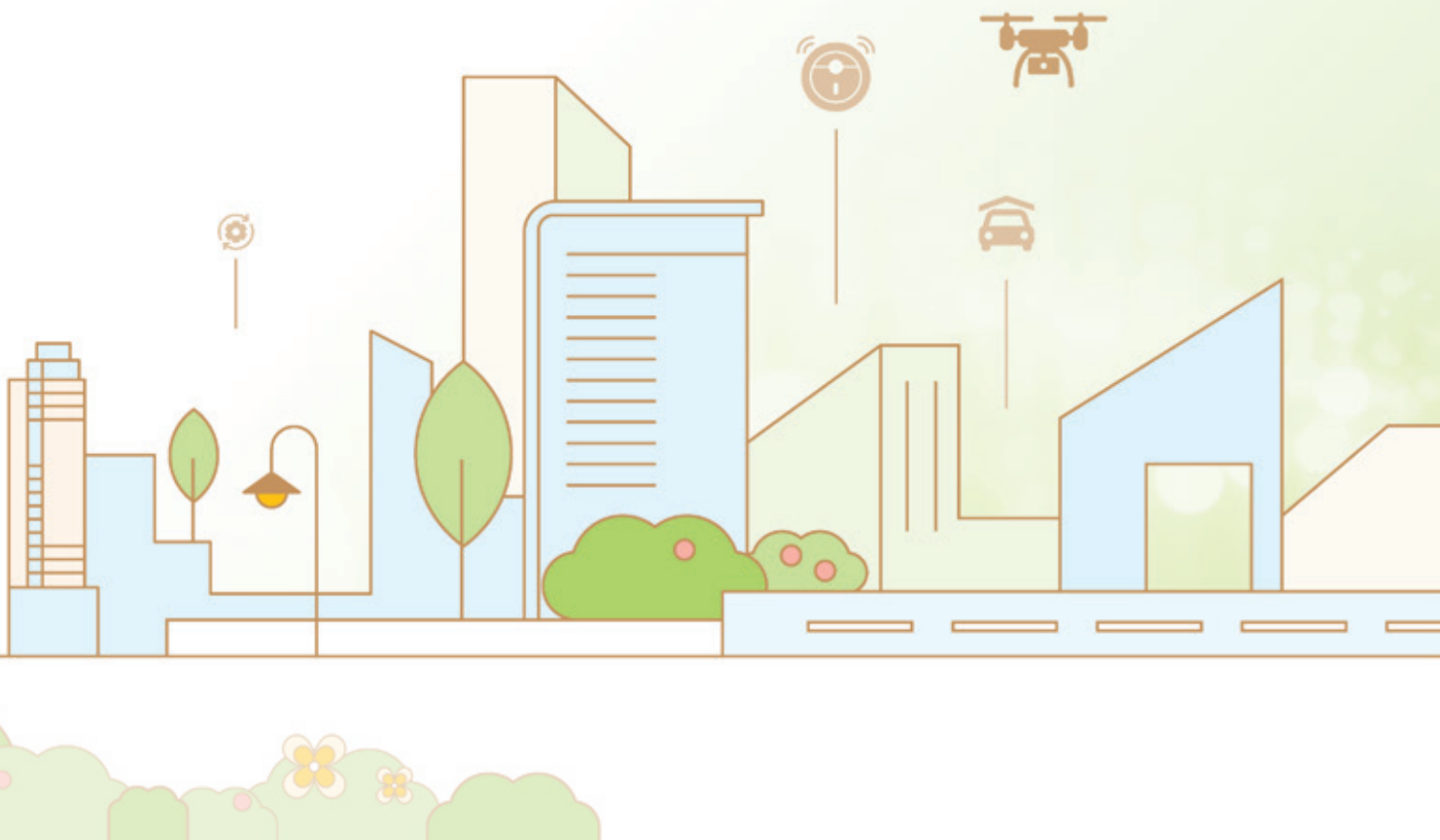
COPL will continue to endeavour along the road with the attitude of "Leading the Trend" to promote the transformation of traditional property management services into modernised services. We will realise the "COPMPM" through the path of "Technological Innovation and Cross-Sector Cooperation", will present the value of modernised professionalism through the "Benchmark Projects as well as Value Preservation and Enhancement", and will demonstrate the performance of modernised management through the "Talent Team and Corporate Culture", so as to comprehensively promote the modernised development of ecological chain cooperation, service system, IT application, brand building, talent team, and basic management.

Finally, I would like to express my heartfelt gratitude to the Board and all employees for their efforts and to our business partners and shareholders for their long-term support.

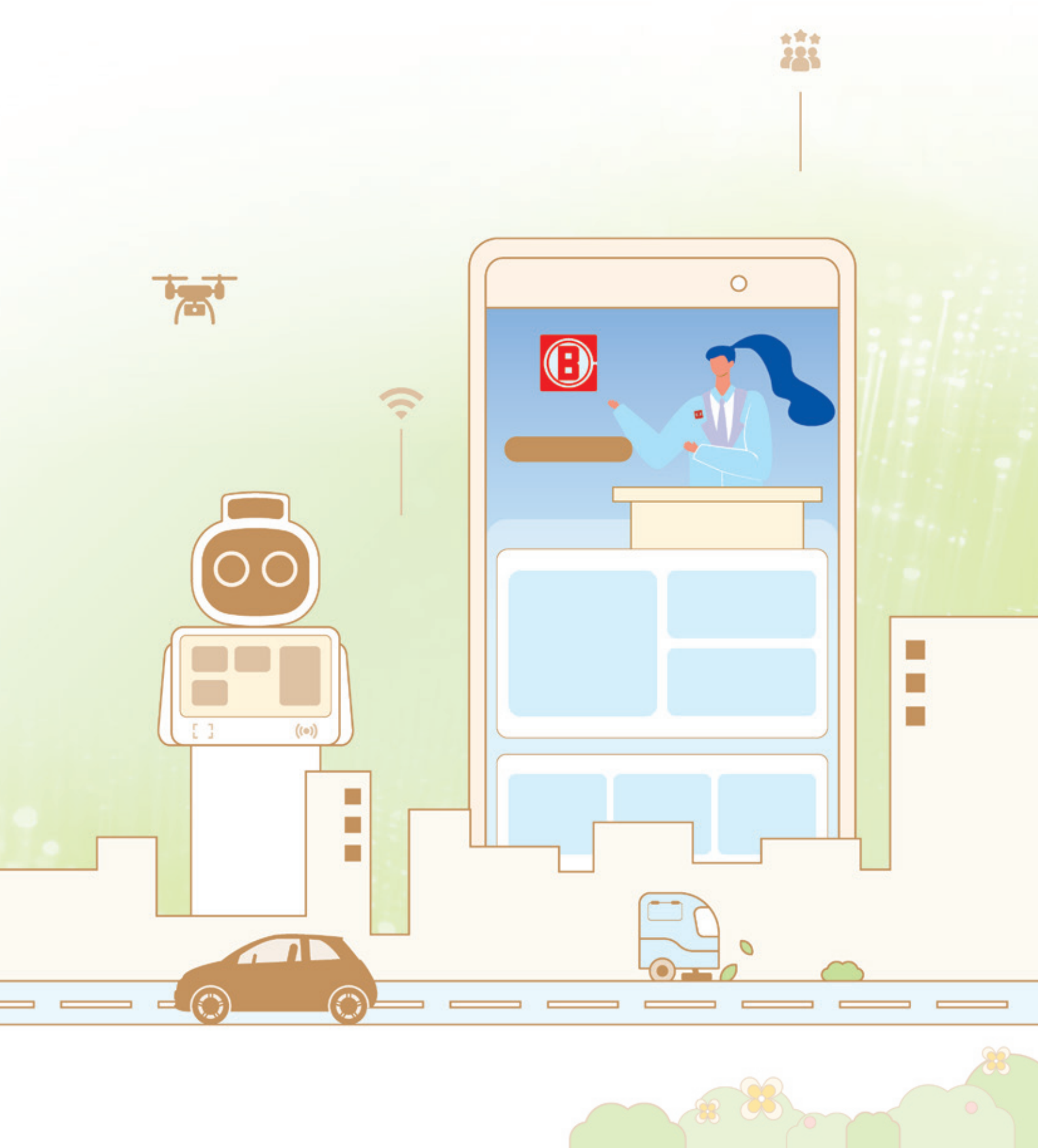
### Zhang Guiqing

*Chairman and Executive Director*

Hong Kong, 26 March 2026

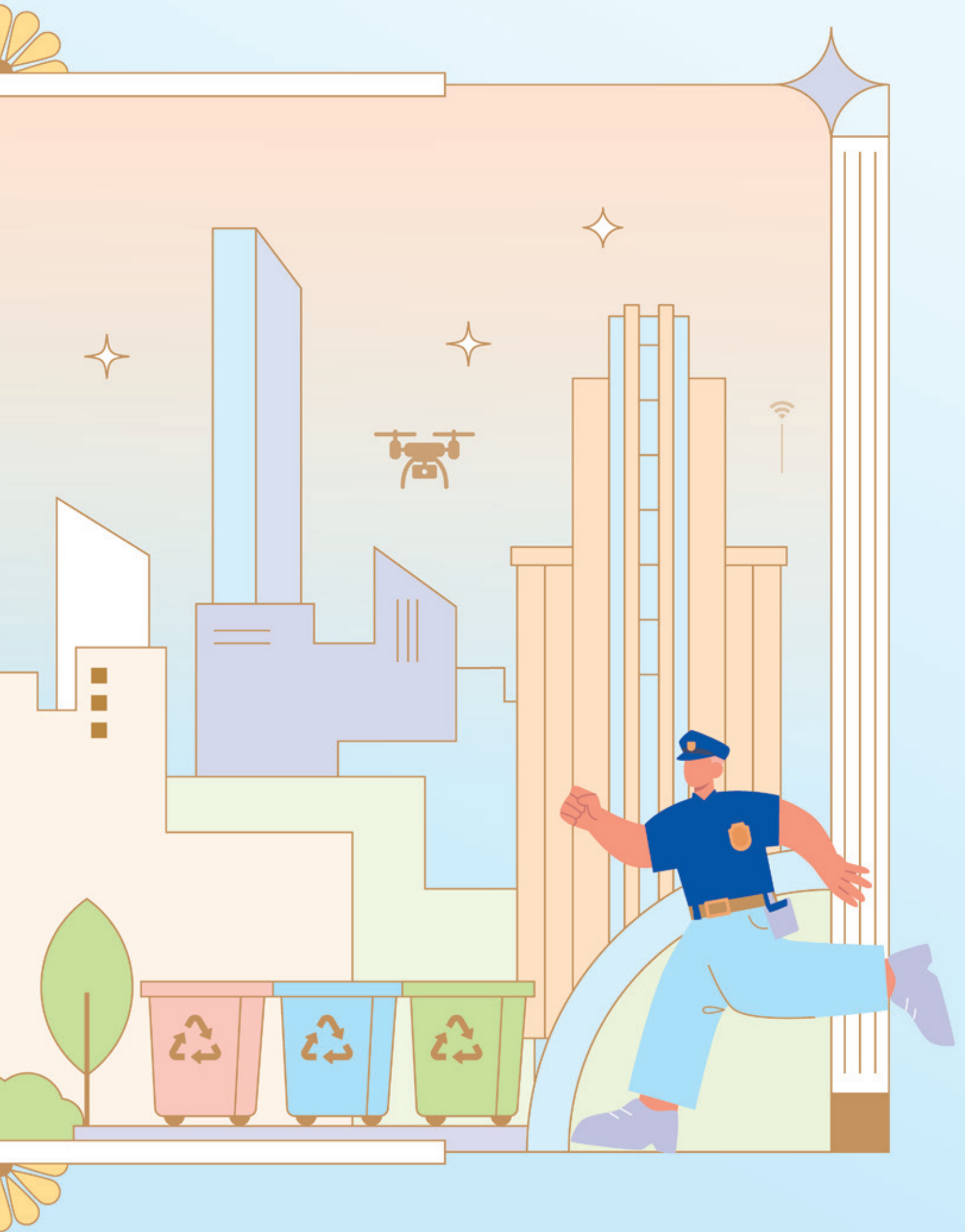


Chairman's Statement (Continued)



# MANAGEMENT DISCUSSION AND ANALYSIS





# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

### Revenue and Operating Results

The Group is one of the leading property management companies in the People's Republic of China ("PRC"), with operations covering Hong Kong and Macau. The Group's management portfolio includes both residential properties and non-residential properties, such as commercial complexes, office buildings, shopping malls, hotels, industrial parks, logistics parks, hospitals, schools, government properties, city services, parks, ports, aviation, high-speed rail, roads and bridges, bus terminus and other public facilities. We provided high-quality and sophisticated services to the customers to increase customer satisfaction, and strive to preserve and add value to the properties under our management in order to reinforce our brand recognition as a renowned property management service provider for mid- to high-end properties in our core stream business.

By leveraging on the Group's brand equity, acclamation and size advantage, we gradually expand our customer resources and operating scale by securing diverse projects continuously through a balanced enrichment of the market components. As disclosed in the Company's announcement dated 24 December 2025, in order to implement the Group's strategic positioning as an integrated service operator for urban space, the Group subscribed for RMB39.0 million capital in China Construction Property Management Co., Ltd. (中建物業管理有限公司) ("Target Company"), a wholly-owned subsidiary of China State Construction Engineering Corporation (中國建築集團有限公司), to acquire 70% controlling shareholding and made it a subsidiary of the Group. These further strengthened the Group's revenue base and improved its market competitiveness. According to the accounting standards, the Target Company's financial statements would be consolidated into the Group's consolidated financial statements using the principle of merger accounting. The comparative figures of last year were restated accordingly.

Over the past year, the property management market has been affected by the overall economic environment. The industry as a whole has faced challenges such as price reductions and project withdrawals during contract fulfilment and renewal phases. Facing with these severe challenges, the Group adhered to its prudent approach and pragmatic stance, successfully securing new orders of 90.9 million sq.m., in which 85.1% were sourced from independent third parties. Total new contract sums was approximately RMB5,237.3 million. At the same time, the Group continued to streamline the business structure and manage loss projects. By striking a balance and trade-off between cost and benefit for scale and efficiency, such that projects of 55.6 million sq.m. were expired/withdrawn.

As at 31 December 2025, the GFA under our management increased by 8.0% or 35.3 million sq.m. to 477.6 million sq.m. compared with last year end (2024: 442.3 million sq.m. (restated)).



## Management Discussion and Analysis (Continued)

### Business Review (Continued)

#### Revenue and Operating Results (Continued)

The following table sets forth a breakdown of the new orders secured by the Group by source of projects during the year ended 31 December 2025:

Source of projects:	New GFA under management secured		New contract sums secured
	million sq.m.	%	RMB million
China State Construction and China Overseas Group (Note)	13.5	14.9%	1,149.1
Independent third parties	77.4	85.1%	4,088.2
Total	90.9	100.0%	5,237.3

Note: "China State Construction and China Overseas Group" represented members under China State Construction Engineering Corporation and China Overseas Holdings Limited (including its subsidiaries, joint ventures and associates).



Shanghai Zhonghai Jade Lake Shore Villa



Shenzhen Zhonghai No.9 Mansion



Shenzhen Longhua District People's Hospital

## Management Discussion and Analysis (Continued)

### Business Review (Continued)

#### Revenue and Operating Results (Continued)

In recent years, the incremental residential market has been affected by the deep adjustment and downturn in the real estate industry, resulting in a slowdown in contract conversion rates. At the same time, the market condition and price competition in the existing market have also become increasingly severe, suppressing the rapid expansion of the industry in the past. The industry must respond to these impacts instantly. Therefore, the Group endeavors to become an integrated service operator for urban space, promotes vertical and horizontal exploration of customer resources by consolidating the existing resources and actively seeks new ones to achieve diversification. During the year, the new GFA from non-residential projects accounted for a higher proportion of 68.4% (in which those from urban space constituted 49.5%), with the remaining 31.6% being residential projects, while the new contract sums amounted to approximately RMB3,130.2 million and RMB2,107.1 million respectively.

The following table sets forth a breakdown of the new orders secured by the Group by project type during the year ended 31 December 2025:

	New GFA under management secured		New contract sums secured
	million sq.m.	%	RMB million
<b>Project types:</b>			
Residential projects	28.7	31.6%	2,107.1
Non-residential projects*	62.2	68.4%	3,130.2
— Commercial, office buildings and parks*	17.2	18.9%	1,164.4
— Urban space*	45.0	49.5%	1,965.8
<b>Total</b>	<b>90.9</b>	<b>100.0%</b>	<b>5,237.3</b>

\* For better demonstration of the Group's positioning as integrated services operator for urban space, the Group redefined the project types under non-residential projects into "Commercial, office buildings and parks" and "Urban space".

Since China's real estate market is still in the process of transformation and adjustment, with declining asset prices and a prominent imbalance between strong supply and weak demand, it led to a continuous slowdown in the overall growth rate of the property management industry that positioned at the downstream of the industry chain. Facing severe challenges in economic environments, the Group flexibly responded to market changes and promptly adjusted the business strategy. During the year ended 31 December 2025, total revenue improved comparing to the last year, rising by 6.0% to RMB14,959.9 million (2024: RMB14,112.5 million (restated)), which was mainly arisen from (i) the continuing increase in GFA under our management under property management services and (ii) business growth on value-added services to non-residents, which were partly offset by the decline in value-added services to residents and the decrease in car parking space sales.

## Management Discussion and Analysis (Continued)

### Business Review (Continued)

#### Revenue and Operating Results (Continued)

The following table sets forth a breakdown of the Group's revenue for the year:

	For the year ended 31 December					
	2025		2024		Change	
	Revenue		Revenue			
Proportion	RMB'000	Proportion	RMB'000	RMB'000	%	
<b>Project management services:</b>						
– Lump sum basis	76.7%	11,478,344	74.5%	10,516,036	962,308	9.2%
– Commission basis	1.7%	250,682	1.7%	238,973	11,709	4.9%
	<b>78.4%</b>	<b>11,729,026</b>	<b>76.2%</b>	<b>10,755,009</b>	<b>974,017</b>	<b>9.1%</b>
<b>Value-added services:</b>						
– Non-residents	13.0%	1,939,848	13.0%	1,828,734	111,114	6.1%
– Residents	8.1%	1,218,558	9.8%	1,384,606	(166,048)	(12.0)%
	<b>21.1%</b>	<b>3,158,406</b>	<b>22.8%</b>	<b>3,213,340</b>	<b>(54,934)</b>	<b>(1.7)%</b>
<b>Car parking space trading business</b>	<b>0.5%</b>	<b>72,439</b>	<b>1.0%</b>	<b>144,195</b>	<b>(71,756)</b>	<b>(49.8)%</b>
Total	<b>100.0%</b>	<b>14,959,871</b>	<b>100.0%</b>	<b>14,112,544</b>	<b>847,327</b>	<b>6.0%</b>

## Management Discussion and Analysis (Continued)

### Business Review (Continued)

#### Revenue and Operating Results (Continued)

Facing with the period of the industry's transformation and restructuring from incremental expansion to quality improvement of existing projects, the Group remains steadfast to the orientation of "Seeking stability" and "Pursuing innovation" by increasing in upfront resource investments to improve quality, strengthen management capabilities and maintain development momentum. However, the short-term pace of profit generation was inevitably affected by the prolonged payback period. As always, the Group constrained the increase in direct operating costs through stringent cost control measures such as material cost savings, overhead expenses reduction and increasing subcontracting efforts. During the year, direct operating expenses raised relatively faster than our revenue growth at 8.0% year-on-year, to RMB12,712.6 million (2024: RMB11,775.6 million (restated)). As a result, gross profit margin dropped to 15.0% for the year (2024: 16.6% (restated)), with gross profit decreased by 3.8% to RMB2,247.3 million (2024: RMB2,336.9 million (restated)).

Other income and gains, net was RMB136.4 million for the year (2024: RMB200.5 million (restated)), mainly representing interest income of RMB103.2 million from effective treasury management from bank deposits, and tax incentives and government grants of RMB30.6 million.

Fair value loss of self-owned investment properties for the year was RMB6.3 million (2024: fair value loss of RMB6.7 million).

After deducting selling and administrative expenses of RMB420.9 million (2024: RMB435.3 million (restated)) and net impairment of financial assets and contract assets of RMB128.3 million for the year (2024: RMB76.4 million (restated)), operating profit decreased by 9.5% to RMB1,828.1 million (2024: RMB2,019.0 million (restated)). The increase in net impairment of financial assets and contract assets comparing to last year was mainly due to the compound effects of the following factors: (i) an impairment of RMB120.7 million (2024: RMB82.5 million (restated)) on trade receivables, with adoption of a more conservative impairment rate of 11.1% (2024: 8.6% (restated)) in accordance with the age of debts, as a result of the economic environment; and (ii) net impairment of payments on behalf of property owners for properties managed on a commission basis of RMB6.5 million (2024: net reversal of impairment of RMB6.4 million).

Income tax expenses decreased by 8.2% to RMB450.4 million for the year (2024: RMB490.3 million (restated)), mainly due to decrease in profit before tax charged at different applicable regional tax rates. Among that, current and deferred withholding income tax provision of RMB36.8 million (2024: RMB31.7 million) in respect of dividends distributed/expected to be distributed from a PRC subsidiary was recognised during the year.

Overall, profit attributable to ordinary equity holders of the Company for the year ended 31 December 2025 amounted to RMB1,366.8 million (2024: RMB1,514.3 million (restated)), representing a decrease of 9.7% against the last corresponding year.

## Management Discussion and Analysis (Continued)

### Segment Information

#### Property Management Services

The continuous improvement of service quality and customer satisfaction helped the Group solidifying its strong brand recognition as a renowned property management service provider for mid- to high-end properties in its core stream business. At the same time, through possessing a diversified and one-stop business capability and providing full range property management solutions to properties under development, we were able to gain early access to those properties and maintain proximate business relationships with them. In 2025, by leveraging on the Group's brand equity and size advantage, we steadily commenced market expansion to enlarge operating scale. While under the main theme of striking a balance between scale and efficiency, as well as streamlining the business structure and loss project management continuously, the GFA under management increased to 477.6 million sq.m. that was 8.0% more comparing with last year (2024: 442.3 million sq.m. (restated)), with portion of GFA under management sourced from independent third parties of 42.7% (2024: 40.8% (restated)).

The following table sets forth a breakdown of the Group's GFA under management by source of projects as at year end:

	As at 31 December 2025		As at 31 December 2024	
	GFA under management		GFA under management	
	million sq.m.	%	million sq.m.	%
			(Restated)	
<b>Source of projects:</b>				
China State Construction and China Overseas Group	<b>273.5</b>	<b>57.3%</b>	261.8	59.2%
Independent third parties	<b>204.1</b>	<b>42.7%</b>	180.5	40.8%
<b>Total</b>	<b>477.6</b>	<b>100.0%</b>	442.3	100.0%

At the same time, we promoted vertical and horizontal exploration of customer resources by consolidating the existing resources and seeking new ones to continuously expand business and achieve a more balanced component structure, with business scope covering commercial complexes, office buildings, shopping malls, hotels, industrial parks, logistics parks, hospitals, schools, government properties, city services, parks, ports, aviation, high-speed rail, roads and bridges, bus terminus and other public facilities, comprehensively moving forward to implement on our strategic positioning as an integrated service operator for urban space. At 31 December 2025, the GFA under management from non-residential projects was 31.4% (2024: 30.3% (restated)), in which, those from urban space was 20.7% (2024: 19.1% (restated)).

## Management Discussion and Analysis (Continued)

### Segment Information (Continued)

#### Property Management Services (Continued)

The following table sets forth a breakdown of the Group's GFA under management by project types as at year end:

	As at 31 December 2025		As at 31 December 2024	
	GFA under management		GFA under management	
	million sq.m.	%	million sq.m.	%
<b>Project types:</b>				
Residential projects	327.8	68.6%	308.3	69.7%
Non-residential projects*	149.8	31.4%	134.0	30.3%
— Commercial, office buildings and parks*	51.0	10.7%	49.4	11.2%
— Urban space*	98.8	20.7%	84.6	19.1%
<b>Total</b>	<b>477.6</b>	<b>100.0%</b>	442.3	100.0%

\* For better demonstration of the Group's positioning as integrated services operator for urban space, the Group redefined the project types under non-residential projects into "Commercial, office buildings and parks" and "Urban space", the comparative figures were restated accordingly.

Revenue from property management services constituted 78.4% of total revenue for the year ended 31 December 2025 (2024: 76.2% (restated)), and increased by 9.1% from last year to RMB11,729.0 million (2024: RMB10,755.0 million (restated)), which was mainly arisen from the increase in GFA under management, particularly significant revenue increment and growth rate driven by the timely development of newly expanded urban space businesses.

During the year, approximately 97.9% and 2.1% of the segment revenue were generated from property management contracts under lump sum basis and commission basis respectively (2024: 97.8% (restated) and 2.2% (restated) respectively).



Shenzhen Zhonghai Shen Bay Jiu Xu



Xi'an Zhonghai Qujiang Dacheng Huachen

## Management Discussion and Analysis (Continued)

### Segment Information (Continued)

#### Property Management Services (Continued)

The following table sets out a breakdown of the Group's segment revenue from property management services for the year:

	For the year ended 31 December					
	2025		2024		Change	
	Segment revenue		Segment revenue			
	RMB'000	%	RMB'000	%	RMB'000	%
			(Restated)			
<b>Property management services:</b>						
Lump sum basis	<b>11,478,344</b>	<b>97.9%</b>	10,516,036	97.8%	962,308	9.2%
— Residential	<b>6,585,508</b>	<b>56.2%</b>	6,239,153	58.0%	346,355	5.6%
— Commercial, office buildings and parks	<b>2,462,620</b>	<b>21.0%</b>	2,329,981	21.7%	132,639	5.7%
— Urban space	<b>2,430,216</b>	<b>20.7%</b>	1,946,902	18.1%	483,314	24.8%
Commission basis	<b>250,682</b>	<b>2.1%</b>	238,973	2.2%	11,709	4.9%
Total	<b>11,729,026</b>	<b>100.0%</b>	10,755,009	100.0%	974,017	9.1%

As at 31 December 2025, the ratio of GFA under management from lump sum basis and commission basis was 84.3% to 15.7% (2024: 83.3% (restated) to 16.7% (restated)).

The following table sets forth a breakdown of the Group's GFA under management by contract bases as at year end:

	As at 31 December 2025		As at 31 December 2024	
	GFA under management		GFA under management	
	million sq.m.	%	million sq.m.	%
				(Restated)
<b>Contract bases:</b>				
Property management contracts under lump sum basis	<b>402.4</b>	<b>84.3%</b>	368.3	83.3%
Property management contracts under commission basis	<b>75.2</b>	<b>15.7%</b>	74.0	16.7%
Total	<b>477.6</b>	<b>100.0%</b>	442.3	100.0%

## Management Discussion and Analysis (Continued)

### Segment Information (Continued)

#### Property Management Services (Continued)

During the year, the segment gross profit margin from property management contracts under lump sum basis and commission basis was 12.4% and 100.0% respectively (2024: 14.0% (restated) and 100.0% respectively). Overall, the weighted average segment gross profit margin decreased to 14.3% for the year (2024: 15.9% (restated)). The decrease in gross profit margin under lump sum basis was primarily attributable to (i) traditional property management market was constrained by factors such as price reductions and contract withdrawals; (ii) the slowdown in incremental expansion and contract conversion caused by the downturn in the real estate industry, both of which affected the revenue growth rate. Nevertheless, the Group actively mitigated cost pressures through proactive measures such as material cost savings, overhead expenses reduction and increasing subcontracting efforts.

Overall, the gross profit of our property management services segment decreased by 2.3% from last year to RMB1,675.4 million for the year ended 31 December 2025 (2024: RMB1,714.7 million (restated)).

The following table sets forth a breakdown of the Group's gross profit and gross profit margin of property management services for the year:

	For the year ended 31 December					
	2025		2024		Change in gross profit	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin		
RMB'000	%	RMB'000 (Restated)	%	RMB'000	%	
<b>Property management services:</b>						
— Lump sum basis	1,424,712	12.4%	1,475,688	14.0%	(50,976)	(3.5)%
— Commission basis	250,682	100.0%	238,973	100.0%	11,709	4.9%
<b>Total</b>	<b>1,675,394</b>	<b>14.3%</b>	<b>1,714,661</b>	<b>15.9%</b>	<b>(39,267)</b>	<b>(2.3)%</b>



Upgrade Intelligent Services

After deducting segment administrative expenses and net impairment of trade receivables, and payments on behalf of property owners for properties managed on a commission basis, as well as taking into account of other income, the segment profit of the property management services decreased by 10.7% to RMB1,385.4 million for the year (2024: RMB1,551.3 million (restated)).



Create Clean Home



Protect Owners' Safety

## Management Discussion and Analysis (Continued)

### Segment Information (Continued)

#### Value-Added Services to Non-Resident



Equipments Maintenance and Repair



Facility Inspection

Value-added services to non-residents sub-segment cover engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery, move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc. for property developers and other property management companies. For the year ended 31 December 2025, revenue from the non-residents sub-segment constituted 13.0% (2024: 13.0% (restated)) of total revenue, and increased by 6.1% to RMB1,939.8 million (2024: RMB1,828.7 million). The increase in segment revenue was mainly driven by the increased acceptance of repair and maintenance engineering services for large government projects in Hong Kong and Macau regions. However, the downturn in the PRC real estate sector has reduced the demand on engineering services, pre-delivery services (such as security, cleaning and repair and maintenance services for display units in pre-sales offices for developing properties), inspection services and consulting services from property developers, which suppressed the growth rate.

The following table sets forth a breakdown of the Group's sub-segment revenue from value-added services to non-residents for the year:

	For the year ended 31 December			
	2025	2024	Change	
	Sub-segment revenue RMB'000	Sub-segment revenue RMB'000	RMB'000	%
<b>Value-added services to non-residents:</b>				
Engineering services	1,346,362	1,029,729	316,633	30.7%
Pre-delivery services	495,991	596,010	(100,019)	(16.8)%
Inspection services	80,262	153,788	(73,526)	(47.8)%
Consulting services	17,233	49,207	(31,974)	(65.0)%
<b>Total</b>	<b>1,939,848</b>	<b>1,828,734</b>	<b>111,114</b>	<b>6.1%</b>

## Management Discussion and Analysis (Continued)

### Segment Information (Continued)

#### Value-Added Services to Non-Resident (Continued)

In respect of the profitability, the gross profit margin of the value-added services to non-residents sub-segment declined to 7.2% (2024: 13.1%), which mainly reflects (i) the impact of the amortisation expenses for research and development costs increased due to investments in intelligent engineering projects, resulting in this business recording a loss for the first time; (ii) the gross profit margin of other engineering and pre-delivery businesses generally declined due to intense price competition affected by the deep adjustment and downturn in the real estate industry; (iii) the impact of lower gross profit margin of engineering projects in Hong Kong and Macau regions within the change in business components. Overall, the sub-segment gross profit decreased by 41.9% to RMB139.7 million (2024: RMB240.3 million).



*Space Renovation*

After having allowed for sub-segment overhead and impairment on trade receivables, the sub-segment profit from value-added services to non-residents, decreased by 56.4% to RMB63.8 million against last year (2024: RMB146.5 million).

#### Value-Added Services to Residents

In respect of value-added services to residents sub-segment, our services cover (i) community asset management services (such as rental assistance, agency and custody for real estate transactions, common area rental assistance, one-stop shop asset management services to the property owners and rental of self-owned properties); (ii) home living service operations (to meet the various needs of residents of the properties, including housing ecology, home improvement, new retail, home services, tourism and leisure, education and training, health and elderly care, automotive services, platform services, etc.); and (iii) commercial service operations (to meet the needs of business users). Both of the customers' recognition of the Group's traditional property management services, and diversification of our product offerings and marketing channels through services offered with our online-to-offline platform facilitates meeting the various needs of residents of the properties, which promotes the life style quality and satisfaction of our customers.

For the year ended 31 December 2025, revenue from the value-added services to residents sub-segment constituted 8.1% (2024: 9.8% (restated)) of total revenue, and decreased by 12.0% to RMB1,218.6 million (2024: RMB1,384.6 million), primarily due to cautious domestic consumption during the economic transition period, leading to weakened demand for retail consumption, decoration and renovation services, business services operations and common area rental assistance, despite there were a few business growth from self-operated marketing activities. Besides, community asset management services brought more agency service fees sharing through second-hand real estate sales, leasing agency services and increased collaboration with real estate developers, which alleviated the decline in home living service operations.

## Management Discussion and Analysis (Continued)

### Segment Information (Continued)

#### Value-Added Services to Residents (Continued)

The following table sets forth a breakdown of the Group's sub-segment revenue from value-added services to residents for the year:

	For the year ended 31 December			
	2025	2024	Change	
	Sub-segment revenue RMB'000	Sub-segment revenue RMB'000	RMB'000	%
<b>Value-added services to residents:</b>				
Community asset management services	649,731	619,189	30,542	4.9%
Home living service operations and commercial service operations	568,827	765,417	(196,590)	(25.7)%
<b>Total</b>	<b>1,218,558</b>	1,384,606	(166,048)	(12.0)%



House Leasing and Sales



Commercial Services

In spite of the decrease in revenue, the gross profit margin of value-added services to residents sub-segment increased to 34.0% (2024: 25.5%), mainly due to the combined effects of (i) adaptation of the sales mix structure to strengthen the core business and achieving cost reductions through self-operated marketing activities, to effectively enhance the gross profit margin of home living services, retail consumption, decoration and renovation services, etc.; and (ii) the increase in the business volumes of community asset management that bears higher profit margin. Overall, the sub-segment gross profit increased by 17.6% to RMB414.6 million (2024: RMB352.5 million).

After having allowed for sub-segment overhead and impairment of trade receivables, the sub-segment profit from value-added services to residents increased by 18.2% to RMB388.8 million against last year (2024: RMB328.9 million).

## Management Discussion and Analysis (Continued)

### Segment Information (Continued)

#### Car Parking Space Trading Business

Through acquiring unfettered rights and ability to control and coordinate the sales of the car parking spaces at the properties under the Group's management, the Group can create greater ease and value to the residents of such properties, and thereby enhance the Group's overall management of the amenities within such properties. This in turn also enables the Group to take advantage of its existing abundance of cash balance and increase the shareholders' value.

During the year ended 31 December 2025, due to lower amount of carparks sold against last year, that is, 1,037 were sold (2024: 2,224), segment revenue from the car parking space trading business decreased to RMB72.4 million (2024: RMB144.2 million), which also resulted in a decrease in segment profit to RMB17.6 million (2024: RMB29.5 million).

### Liquidity, Financial Resources and Debt Structure

The Group adopts prudent financial policies, with effective financial and cash management under centralised supervision, and maintains appropriate leverage with adequate cash balances. As at 31 December 2025, net working capital amounted to RMB5,202.6 million (At 31 December 2024: RMB4,477.8 million (restated)).

Bank balances and cash increased by 7.5% to RMB6,270.7 million from last year end (At 31 December 2024: RMB5,832.7 million (restated)), in which, 98.4% were denominated in Renminbi and 1.6% were denominated in Hong Kong Dollar/Macau Pataca.

At 31 December 2025, the Group had short-term unsecured bank borrowings denominated in Renminbi amounted to RMB50.0 million (At 31 December 2024: RMB50.0 million). During the year, the borrowing costs were charged at floating rates with weighted average interest rate of 2.7% per annum.

### Capital Expenditures

The capital expenditures, which mainly represent additions to leasehold improvement, motor vehicles, machinery and equipment, furniture, fixtures, office equipment, leasehold right-of-use assets (including capitalised lease commitments) and software systems, were RMB160.9 million for the year ended 31 December 2025.

### Material Acquisitions, Disposals, Significant Investment and Future Plans Of Material Investment

Save as disclosed above, the Group had no other material acquisitions, disposals, significant investments and future plans of material investment during the year ended 31 December 2025.



## Management Discussion and Analysis (Continued)

### Principal Risk Management Strategies

#### 1. Operational Efficiency

The Group's profit margins and results of operations may be materially affected by changes in its reasonable operating costs and the monitoring on implementation of group strategies. Automation and standardisation are key elements amongst its strategies to increase operational efficiency and improve service quality. The Group has implemented and will continue the implementation of automation measures in business processes and emphasis on standardisation in operations. For example, the Group has employed automation measures such as implementing a real-time quality control system, remote video surveillance system, smart guest access system and carpark management system to achieve operational efficiency and to enhance its overall competitiveness in the property management sector.

#### 2. Customers and Suppliers Relationship Management

The Group's customers include owners and residents in mid- to high-end residential communities, commercial properties, government properties and industrial parks, and business enterprises like property developers and other property management companies.

Customers are one of the key stakeholders. In order to continuously foster and maintain customers' high satisfaction, the Group's quality control department mainly focused on, among others, (i) the solidification of the Group's strong brand recognition as a property management service provider for mid- to high-end properties; (ii) the establishment and maintenance of internal quality standards and community safety management systems; (iii) the central management of customer complaints and customer satisfaction surveys and analysis. In addition, the Group provided structured and comprehensive trainings to the frontline staff, so as to ensure that they delivered attentive customer services with adequate skills and knowledge.

The Group' suppliers primarily include suppliers of raw materials and sub-contractors who provide security, cleaning, repair and maintenance and garden landscape maintenance services to the properties managed.

In order to ensure cost effectiveness and standardisation quality customer services to promote customers' satisfaction, the Group's business strategies includes objectives to maintain close business relationships with quality vendors and sub-contractors so as to achieve consistency and reliability in service quality, while controlling costs through bulk purchases or economies of scale. The Group's competitiveness depends on ability to differentiate from its competitors through quality services and reliability.



## Management Discussion and Analysis (Continued)

### Principal Risk Management Strategies (Continued)

#### 3. Monitoring of Foreign Exchange Exposure

As the Group recorded its revenue, receivables and payables and expenditures etc. in Renminbi for its main property management business in the PRC, the management considers that a natural hedge mechanism existed. The presentation currency for preparation of consolidated financial statements of the Group was Renminbi. However, fluctuations of exchange rates may still impact the net asset value and financial results presented in Renminbi due to currency translation on Hong Kong and Macau business upon consolidation. If Hong Kong Dollar appreciates/depreciates against Renminbi, it would record a(n) increase/decrease in the net asset value and financial results presented in Renminbi. At present, the Group has not entered into or traded any financial instruments, including derivative financial instruments, for hedging or speculative purpose. Hence, other than the effect of currency translation as mentioned above, the Group has neither experienced nor expected any material adverse effect on the business and operations due to the Renminbi exchange rate fluctuation.

The Group would closely monitor the volatility of exchange rate, and would consider appropriate currency hedging policy for mitigating apparent exchange rate risk and enter into such hedging arrangement, if and when appropriate.

### Compliance with Relevant Laws and Regulation

The Group has complied with the relevant laws and regulations in relation to our business in all material respects and there were no material breaches or violations of the laws or regulations applicable to the Group that would have a material adverse effect on business or financial condition taken as a whole.

### Sustainability Development Policy and Performance



Promote Volunteer Services



Guarantee Customer Information Security



Jointly Develop Urban Green Ecology

In 2025, COPL continually expand the breadth and depth of its ESG practice:

- Actively responded to the national carbon neutrality strategy and deeply implemented the national decisions and deployment for “Dual-carbon”. Guided by the published “COPL Carbon Neutrality White Paper”, the Group conducted systematic carbon screening and analysis. Carbon emission intensity and energy consumption density continued to decline;

## Management Discussion and Analysis (Continued)

### Sustainability Development Policy and Performance (Continued)

- Mobilized multiple resources to actively carry out rural revitalization and community welfare activities, with rural revitalization covering more than 5,900 households; After the fire at Wang Fuk Court in Tai Po, Hong Kong, full support was provided to the affected communities, demonstrating the social responsibility of Central State-Owned Enterprises;
- Made another breakthrough in customer information security and privacy protection. By successfully obtaining the ISO27701 Privacy Information Management System Certification for the first time, the Group significantly enhanced data security governance capabilities.

### Capital Commitments and Contingent Liabilities

As at 31 December 2025, the capital commitments of the Group were RMB20.0 million, which mainly related to acquisition of software and system. In addition, the Group provided counter-indemnities to a fellow subsidiary and banks amounting to approximately RMB447.7 million, for guarantees issued in respect of certain property management service contracts for which we are required to provide performance bonds in the ordinary course of business.

Meanwhile, in order to substitute the Group's certain requirements upon participating in competitive tenders on projects under China Overseas Land & Investment Limited ("COLI"), China State Construction International Holdings Limited and China Overseas Grand Oceans Group Limited, the Company provided corporate guarantees as valid until 31 December 2025 to them up to an aggregate amount of RMB50.0 million, RMB30.0 million and RMB20.0 million respectively.

(Remark: As disclosed in the Company's announcement dated 9 December 2025, the Company continued to provide corporate guarantees to COLI up to an aggregate amount of RMB20.0 million from 1 January 2026 to 31 December 2028.)

Except as disclosed above, the Group had no other material capital commitments and outstanding contingent liabilities as at 31 December 2025.

### Significant Events after the Reporting Period

The Group had no significant events occurred after the year ended 31 December 2025, which have material impact on the performance and the financial position of the Group.

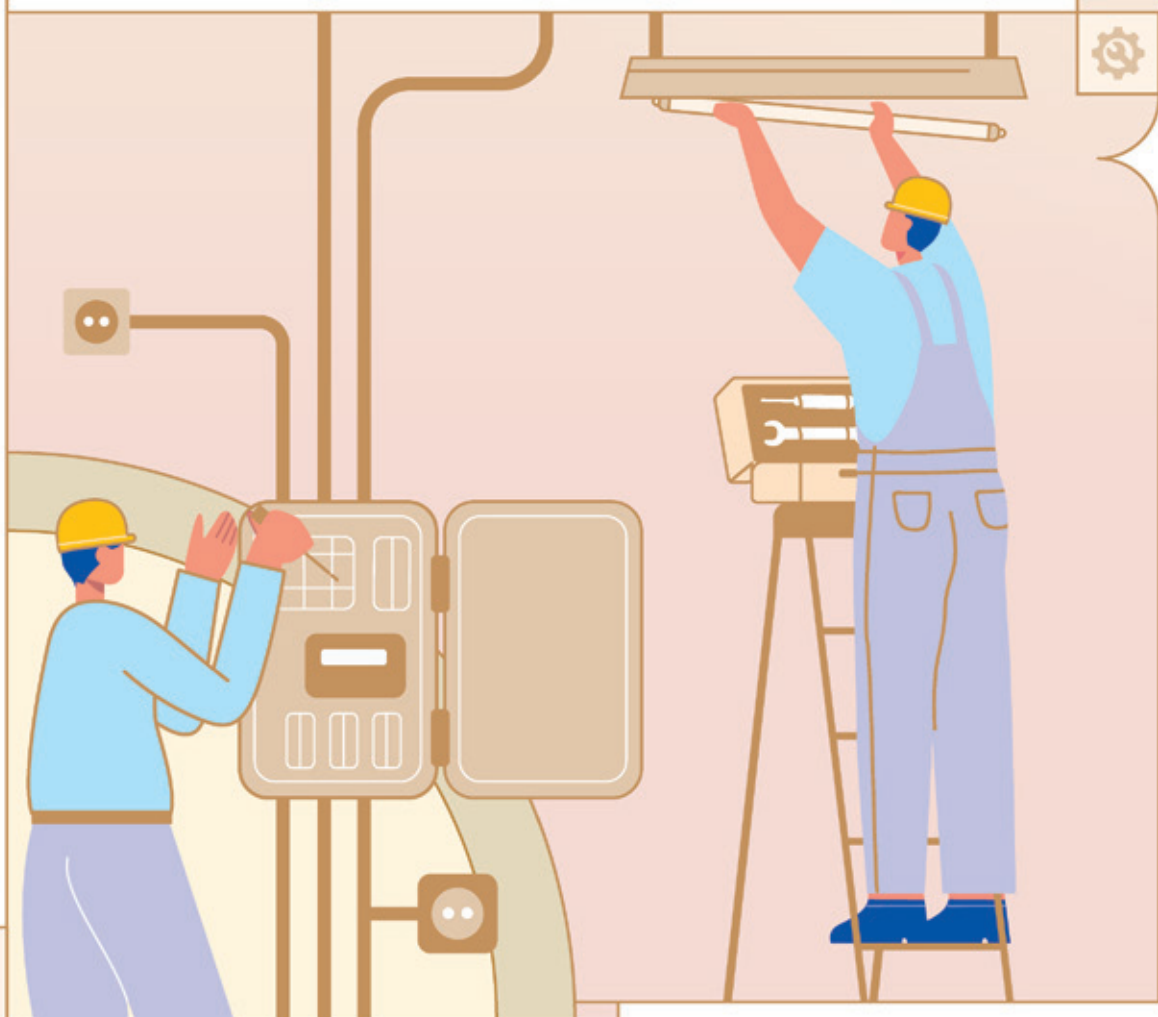
### Employees

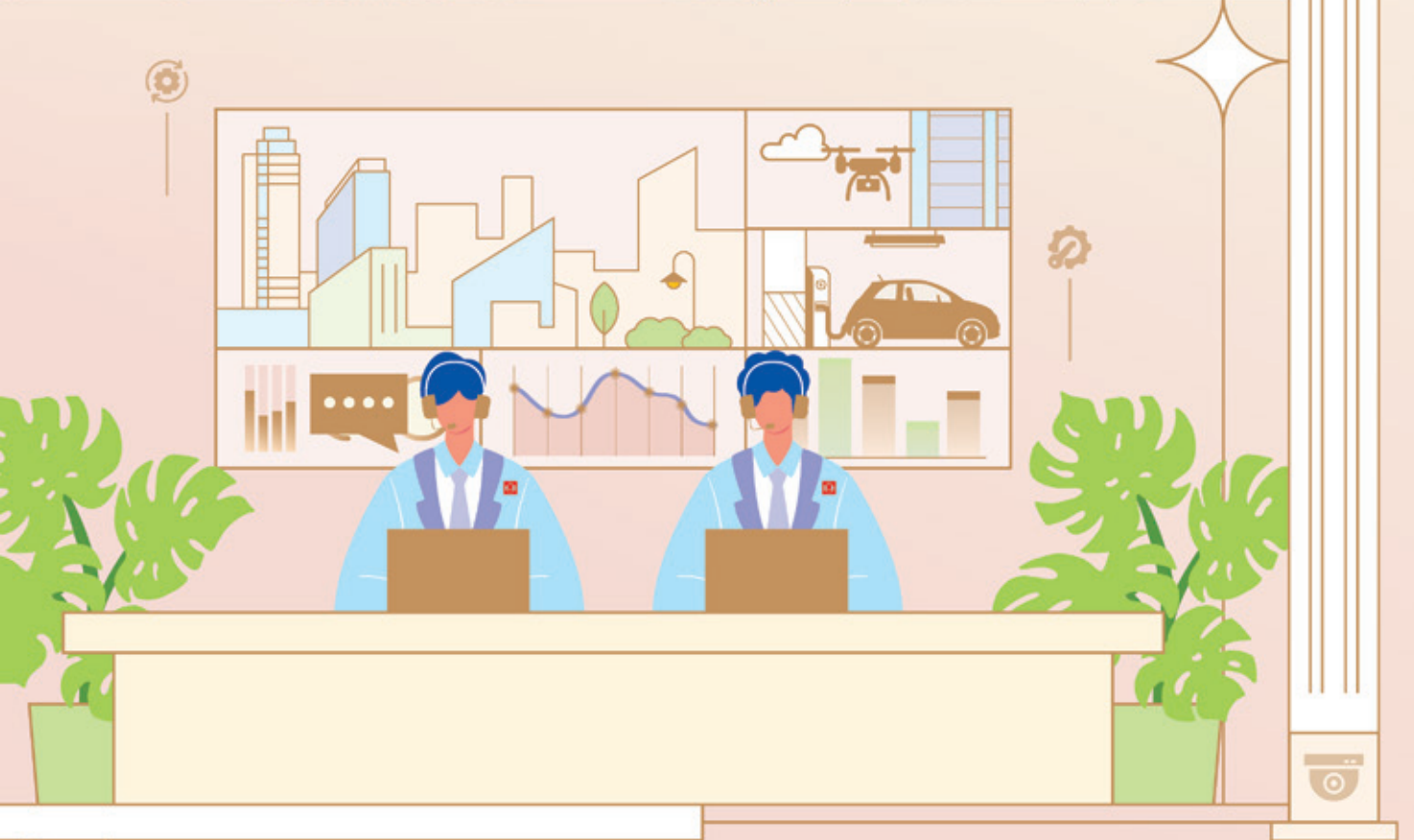
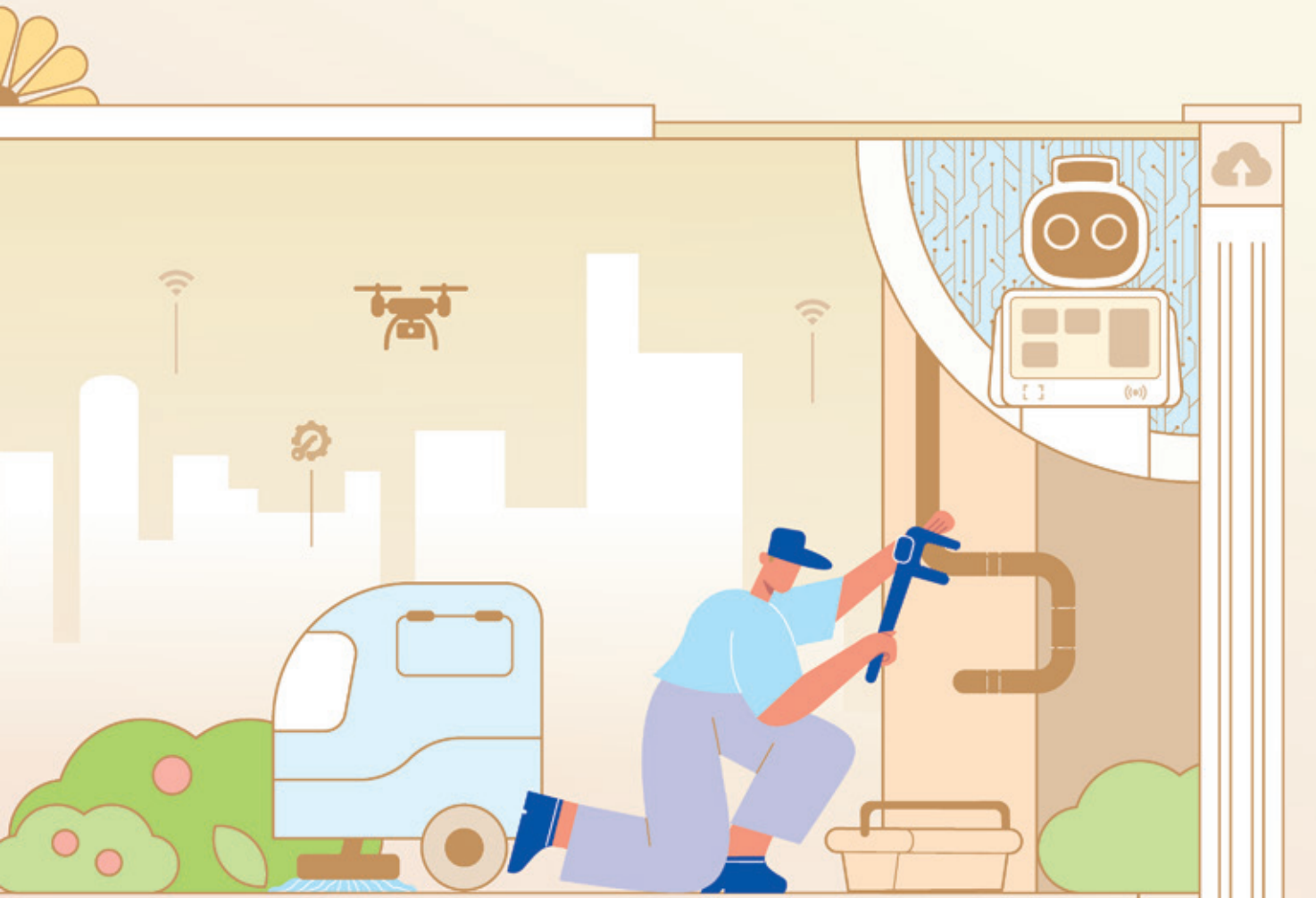
As at 31 December 2025, the Group had approximately 38,042 employees (At 31 December 2024: 38,760 (restated)).

The pay levels of these employees are commensurate with their responsibilities, performance and the prevailing market conditions. The remuneration packages included basic salaries, discretionary bonus and provident fund contributions/retirement pension scheme. Certain selected key personnel of the Group were also entitled to participate in a share incentive scheme of an intermediate holding company of the Group. The total staff costs incurred for the year ended 31 December 2025 was approximately RMB4,220.4 million (2024: RMB4,524.2 million (restated)), of which, RMB3,941.9 million (2024: RMB4,214.5 million (restated)) and RMB278.5 million (2024: RMB309.7 million (restated)) was recognised in direct operating expenses and selling and administrative expenses respectively.

As part of our comprehensive training programme, the Group has provided classroom and online training to our staff to enhance technical and service knowledge as well as knowledge of industry quality standards and workplace safety standards.

# CORPORATE GOVERNANCE REPORT





# CORPORATE GOVERNANCE REPORT

## Corporate Governance Practices

China Overseas Property Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) acknowledges the important roles of its board of directors in providing effective leadership and direction to the Group’s business, and ensuring transparency and accountability of the Group’s operations.

The board (the “Board”) of directors (the “Directors”) of the Company recognises that good corporate governance leads to the success of the Group and enhances its shareholders’ value. As such, the Board is committed to maintain high standard of business ethics, healthy corporate culture and good corporate governance at all times by establishing and implementing corporate governance policies and practices appropriate to the conduct and growth of the Group’s business.

The Company has applied the principles set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the year ended 31 December 2025, the Company has complied with all the code provisions of the CG Code.

## Corporate Strategy, Business Model and Culture

With the corporate mission of “We Manage Happiness”, COPL adheres to the performance pledge of “Property Assets to be Entrusted” and establishes “The China Overseas Proprietary Methodology in the Modernisation of Property Management” (“COPMPM”) as our medium to long-term targets to create new service capabilities within the industry and endeavour to become an integrated service operator for urban space. Entering into a new phase of industry development, the coverage of service targets of property management enterprises has been extended from small communities or neighbourhoods (being the basic units of urban construction) to large cities formed by countless basic units. The Group will vigorously develop the integrated service operation of urban space that co-exists with the logic of urban system. We will strive to become not only a manager of urban buildings, but also an operator of urban basic services as well as a dedicated participant in upgrading urban services, with a view to promoting the unity of the three dynamics: the grassroots governance of the government, the management of owners’ rights and interests, and the commercial behaviour of enterprises.

The Group put forward its brand proposition of “Good Seasons, Good Property, Good Community” (collectively, the “Three-Good”). “Good Seasons” reflects the Group’s property management capability in that it can, through quality products and services, create a wonderful living experience with a sense of belonging and provide customers with a pleasant living environment where they can live and work in contentment; “Good Property” reflects the Group’s customer service capability in that it can respond efficiently, predict demands and establish deep and long-term relationships with its property owners, customers, employees, partners and the government; “Good Community” reflects a sense of ownership that allows property owners, the property management enterprise and the communities to build a neighbourhood governed and enjoyed by all under the spirit of “Everyone Owns and Takes Responsibilities”. The “Three-Good” depicts a visionary prospect of “COPMPM”, which addresses the concerns and expectations of the Group’s customers, to whom the Group realise its promise on value, the industry, to whom the Group project its strategies outward, and the society, to whom the Group fulfil its responsibility as a corporate citizen.



Corporate Governance Report (Continued)

Corporate Strategy, Business Model and Culture (Continued)

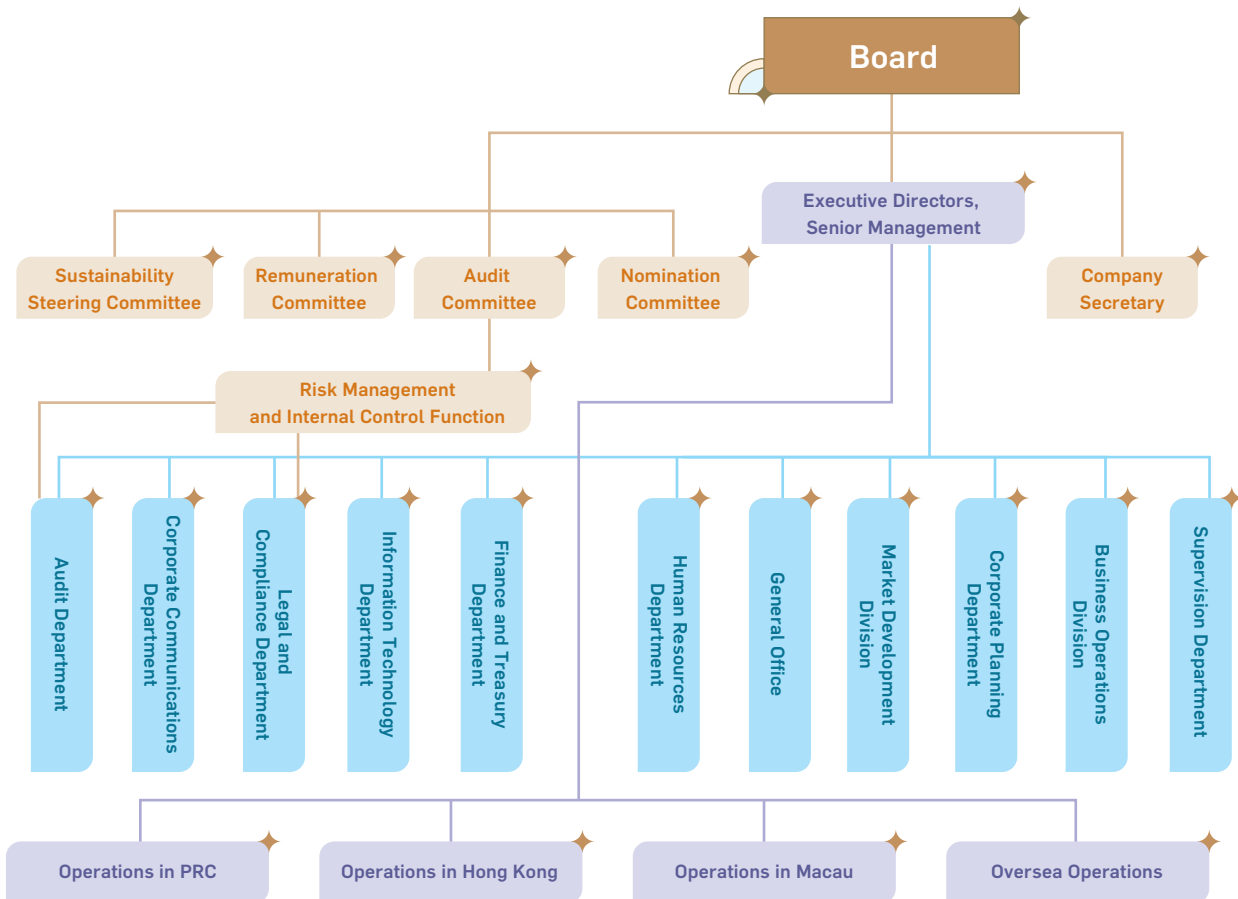
Details of the Group’s strategy, business and financial review are set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this Annual Report.



## Corporate Governance Report (Continued)

### Corporate Governance Structure

The Board has established a clear governance structure, it, with the support of the four Board committees, namely Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Steering Committee, performs the key governance functions within the Group.



### Board

#### Board's Role and Delegation

The primary role of the Board is to maximize long-term shareholders value. Led by the Chairman, the Board is responsible for providing effective and responsible leadership and oversight of the Group, directing its affairs to achieve strategic objectives. To enhance operational efficiency, the Board has delegated day-to-day leadership and the management of the Group to the Chief Executive Officer.

Under the supervision of the Chief Executive Officer, the senior management of the Group is responsible for the management and administrative functions and the day-to-day operations of the Group. The Board has given clear directions to senior management as to the matters that must be approved by the Board before decisions are made on behalf of the Company. The types of decisions to be delegated by the Board to management include implementation of the strategy and direction determined by the Board, operation of the Group's businesses and compliance with applicable laws and regulations.

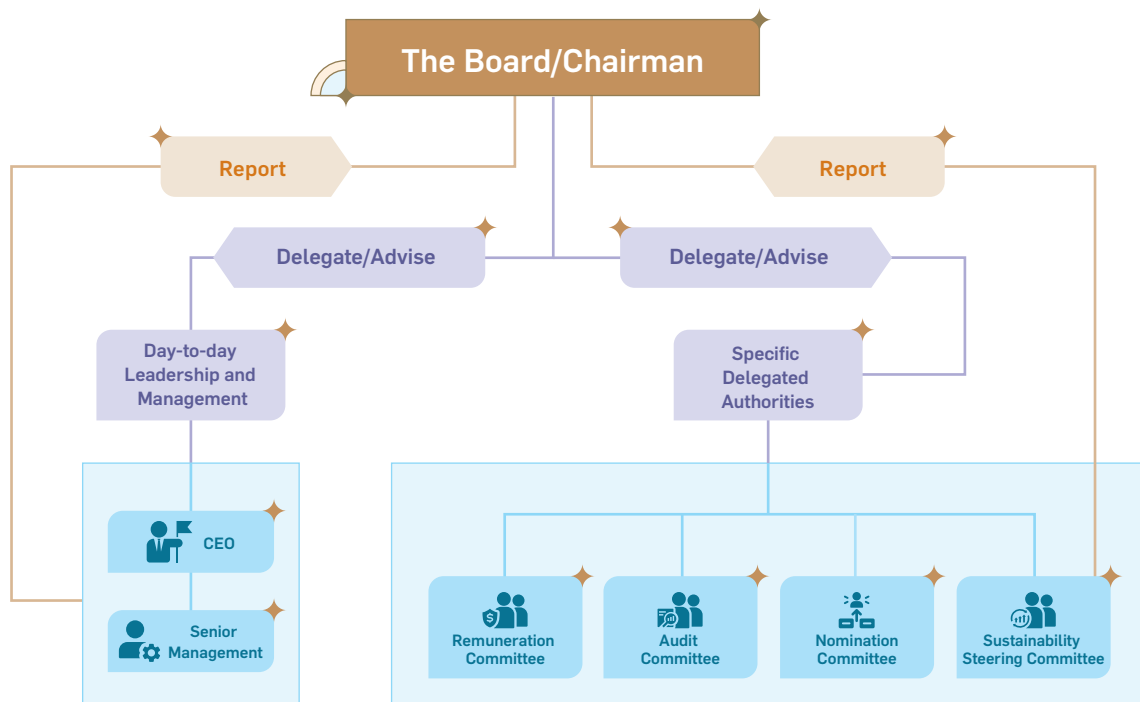
## Corporate Governance Report (Continued)

### Board (Continued)

#### Board's Role and Delegation (Continued)

To assist the Board in execution of its duties and to facilitate effective management, certain functions of the Board have been delegated by the Board to various board committees, which review and make recommendations to the Board on specific authorised areas.

The Board has reserved for its decision on all major matters of the Company, including the approval and monitoring of all corporate governance and policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), appointment of directors, financial information, and other significant financial and operational matters.



## Corporate Governance Report (Continued)

### Board (Continued)

#### Board Composition

Due to the passing away of Mr. So, Gregory Kam Leung on 13 December 2025, the Board has temporarily become non-compliant with the requirement of Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules. However, following the appointment of Mr. Tsoi Wing Sing as an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Sustainability Steering Committee on 1 February 2026, the Company has re-complied with all Listing Rules. The number of Independent Non-executive Directors represents one-third of the Board with one of them possessing appropriate accounting and related financial management expertise as required by Rules 3.10 and 3.10A of the Listing Rules.

The composition of the Board during the year ended 31 December 2025 and up to the date of this Annual Report is as follows:

		Length of Tenure (Round to the Nearest Year)	AGM Re-elected Year
<b>Executive Directors:</b>			
Mr. Zhang Guiqing	<i>(Chairman)</i>	6	2023
Mr. Xiao Junqiang	<i>(Chief Executive Officer)</i>	3	2023
Mr. Kam Yuk Fai	<i>(Chief Financial Officer)</i>	10	2025
Mr. Pang Jinying	<i>(Vice President, resigned on 28 October 2025)</i>		
<b>Non-executive Directors:</b>			
Mr. Guo Lei		4	2025
Ms. Ng, Yat Wing Athena		1	2025
<b>Independent Non-executive Directors:</b>			
Mr. Yung, Wing Ki Samuel		10	2025
Mr. Lim, Wan Fung Bernard Vincent		10	2023
Mr. Tsoi Wing Sing	<i>(appointed on 1 February 2026)</i>		N/A
Mr. So, Gregory Kam Leung	<i>(passed away on 13 December 2025)</i>		

The Directors' biographical information are set out at the section headed "Directors and Senior Management" of this Annual Report and on the website of the Company ([www.copl.com.hk](http://www.copl.com.hk)). The Company has also maintained an updated list of directors and their role and function on the websites of the Company and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

Directors have disclosed their number and nature of offices held in public companies or organizations and other significant commitment in their biographical information. They are also reminded to notify the Company of any change of the information in a timely manner. The Board reported the changes in its annual report and interim report.

## Corporate Governance Report (Continued)

### Board (Continued)

#### Board Composition (Continued)

Directors have also provided an indication of the time involved for the significant offices they held to the Company annually. Each Director has ensured that he/she had given sufficient time and attention to the affairs of the Company for the year.

There is no relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board.

#### Board Diversity

The Board has maintained the necessary balance of skills and experiences appropriate for the business and objectives of the Group and for the exercise of independent judgement. The Independent Non-executive Directors bring different business and financial expertise, experiences and independent judgement to the Board and they are invited to serve on the Board committees of the Company. Through participation in Board meetings, taking the lead in managing issues involving potential conflicts of interests and/or serving on Board committees, the Independent Non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the shareholders of the Company (the "Shareholders").

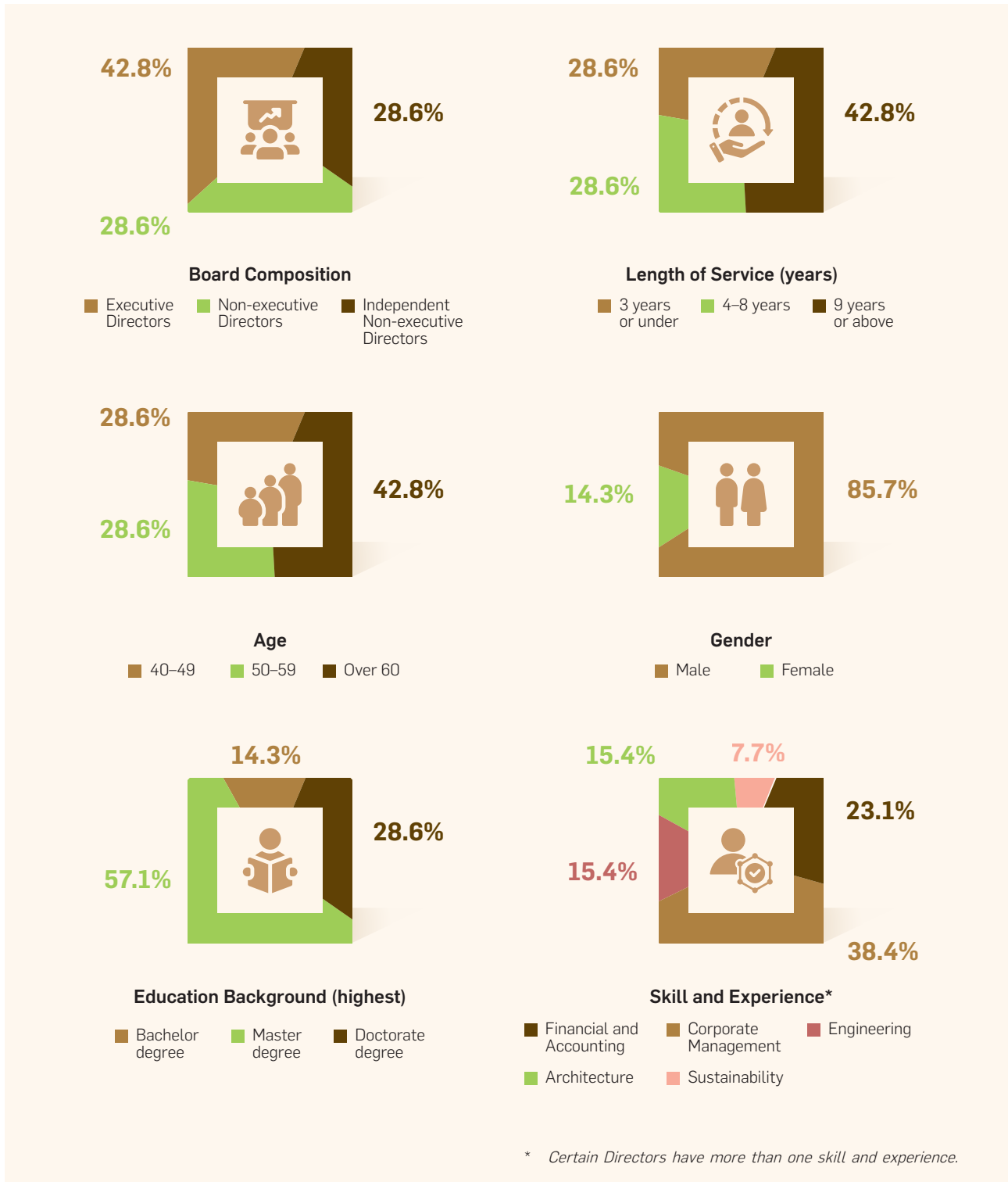
The Company also recognises and embraces the benefits of having a diverse Board to enhance its effectiveness as well as improve the quality of its performance. The Board has adopted the board diversity policy effective since October 2015 (the "Board Diversity Policy"), a copy of which is available on the Company's website. Under the Board Diversity Policy, all Board members' appointments will be based on merit and selection of candidates will be based on a range of diversity factors, including but not limited to education background, professional experience and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. Moreover, the Company aspires to having an appropriate proportion of directors who have direct experience in the core markets of the Group, with different ethnic backgrounds, and reflecting the Group's purpose, values, strategy and desired culture. The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and will make recommendations to the Board of any amendment, where necessary.

Corporate Governance Report (Continued)

Board (Continued)

Board Diversity (Continued)

As at 31 December 2025, the Board's composition under diversified perspectives are set out below:



## Corporate Governance Report (Continued)

### Board (Continued)

#### Board Diversity (Continued)

The Board has a wide range of ages, ranging from 40 to over 60 years old. The Directors have a balanced mix of skills and experience, including corporation management, architecture, engineering, financial and accounting as well as sustainability aspects. All Directors held a Bachelor degree or above. The independent non-executive directors thereby promoting critical review and giving independent advice in the decision-making process.

During the year, the Nomination Committee reviewed the implementation and effectiveness of the Board Diversity Policy. Based on the current composition of the Board and current needs of the Company, the Nomination Committee considered the Board Diversity Policy remains effective and appropriate for the Company.

As at 31 December 2025, the Company hired a total of 38,039 staff (excluding 3 executive Directors, but including 5 senior managements who are all male), of which 21,267 were male and 16,772 were female. The gender ratio in the workforce (excluding senior management) was approximately 56 males to 44 females. In order to cope with the growth and needs of the Company without focusing on one single gender, staff recruiting shall be based on the equal-opportunity principle. The Company shall provide suitable on-job training to mid to senior level to ensure a pipeline of female senior management and potential successors to the Board in the near future.

#### Board Independence

The Company recognizes that Board independence is key to good corporate governance. Effective mechanism is in place and regularly reviewed to ensure independent view and input are available to the Board. All Directors are encouraged to express freely their independent views during the Board/Board Committees meetings. External independent professional advice is available as and when required by individual Directors. Board members also have full and timely access to advice from the Company Secretary. The Chairman meets with the Independent Non-executive Directors annually without the presence of other Directors.

For the period from 1 January 2025 to 12 December 2025, a sufficient number of Independent Non-executive Directors representing one-third of the Board has been maintained. All Independent Non-executive Directors are financially independent from the Group bringing independent and diversified experience, competencies, skills and judgment to the Group's strategy and policies through their informed contributions. Annual written confirmation of independence by the Independence Non-executive Directors pursuant to Rule 3.13 of the Listing Rules is required. The Nomination Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new director before appointment and also continued independence of existing independent non-executive directors annually.

For the year ended 31 December 2025, Independent Non-executive Directors attended the board meetings, committees meetings and general meeting as scheduled to provide independent views and input in different aspect as well as develop a balance understanding of the views of Shareholders. Details of the attendance records of the Independent Non-executive Directors for 2025 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report. Therefore, the Board is of the view that the mechanism to ensure independent views and input are available to the Board for the year ended 31 December 2025 is effective and adequately implemented.

## Corporate Governance Report (Continued)

### Board (Continued)

#### Chairman and Chief Executive Officer

The Company supports the division of responsibility between the Chairman and the Chief Executive Officer in order to ensure a balance of power and authority and preserve a balanced judgement of views.

Mr. Zhang Guiqing, as the Chairman of the Company and the Executive Director, is responsible for leading the Board, giving weighty strategic advice of development of the Group and ensuring the Company in formulating regulatory plans in corporate governance. He is also responsible for ensuring that before any meeting is held, all Directors receive accurate, clear, complete and reliable information in a timely manner and the Directors are properly briefed on issues arising at the meetings. Apart from the above, he is responsible for promoting a culture of openness and debate and encourage Directors with different views to voice their concerns in order to ensure that the Board works effectively as well as to ensure appropriate steps were taken to provide effective communication with Shareholders and those views of Shareholders were communicated to the Board as a whole.

Mr. Xiao Junqiang, the Chief Executive Officer of the Company and the Executive Director, is responsible for leading the senior management of the Company, advising strategic directions, setting business goals, supervising the daily management as well as the business operations and development of the Group.

The Chairman works in close collaboration with the Chief Executive Officer. The Chief Executive Officer would consult with the Chairman for advice, while the Chief Executive Officer would report the work progress and performance to the Chairman.

#### Non-executive Directors and Independent Non-executive Directors

Non-executive Directors, including, Independent Non-executive Directors, as equal members of the Board, have given the Board and any committees on which they serve the benefit of their skills, expertise, backgrounds and qualifications. The Independent Non-executive Directors have made a positive contribution and independence judgement to the development of the Company's strategy and policies, performance as well as the risk management.

#### Confirmation of Independence

The Company confirmed that it has received an annual confirmation of the independence pursuant to Rule 3.13 of the Listing Rules from Mr. Ying, Wing Ki Samuel and Mr. Lim, Wan Fung Bernard Vincent. None of them holds cross-directorships or has significant links with other Directors through involvements in other companies or bodies.

Both of Mr. Yung and Mr. Lim have been serving for more than nine years. However, the Board considers that a director's independence should not be defined by his tenure on the Board. A director who has over time gained in-depth insight into the Company's operations can bring a valuable contribution to the Company. As such, the Company still considered all Independent Non-executive Directors are independent.

Despite the Board considers length of tenure does not affect the director's independence, Mr. Lim, who has served the Board for over 9 years, will retire as at the conclusion of the annual general meeting to be held in 17 June 2026 (the "2026 AGM") in accordance with the requirements of the Listing Rules.



## Corporate Governance Report (Continued)

### Board (Continued)

#### Board Evaluation

The Company regards board evaluation as a critical tool to assess Board effectiveness and efficiency. A performance evaluation on the Board and its committees for year 2023 had been conducted in 2024. The evaluation involved each Director completing a questionnaire to provide individual ratings as well as comments covering a range of topics, included, amongst others, the composition, board independence, as well as board processes. Based on the Board evaluation conducted in 2024, the Board considers its existing practice as effective. No performance evaluation on the Board and its committees had been conducted in the year of 2025.

#### Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's amended and restated articles of association (the "Articles of Association") and the nomination policy (the "Nomination Policy"). According to the Nomination Policy, the Nomination Committee shall, when appropriate, identify and evaluate candidates from the labour market and within the Group with reference to the criteria and qualifications set out in the Nomination Policy, then make recommendations for the Board's and/or Shareholders' consideration and approval.

All Directors have entered into either a services contract (for Executive Directors) or a letter of appointment (for Non-executive Directors and Independent Non-executive Directors) with the Company to specify their duties and responsibilities. Executive Directors are appointed on a full-time basis and all Directors are appointed without specific term. All Directors are subject to retirement from office by rotation and re-election at annual general meetings in accordance with the provisions of the Articles of Association. The procedures for appointment, election and removal of Directors is posted on the website of the Company.

Pursuant to the articles 84(1) & 84(2) of the Articles of Association, one-third of the directors for the time being shall retire from office by rotation at an annual general meeting. As such, Mr. Zhang Guiqing, Mr. Xiao Junqiang and Mr. Lim, Wan Fung Bernard Vincent will retire by rotation at the 2026 AGM. Mr. Zhang and Mr. Xiao, the retiring Directors, being eligible, will offer themselves for re-election at the 2026 AGM. As Mr. Lim has served as independent non-executive director of the Board for over 9 years, pursuant to the requirement under Rule 3.13A of the Listing Rules, he will retire as at the conclusion of the 2026 AGM. Mr. Lim confirmed that he has no disagreement with the Board and there is no other matter relating to his retirement that needs to be brought to the attention of the Stock Exchange and the Shareholders.

In order to fill the vacancies of the Independent Non-executive Director due to the passing away of Mr. So, Gregory Kam Leung on 13 December 2025, Mr. Tsoi Wing Sing has been appointed as an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Sustainability Steering Committee on 1 February 2026. Woo Kwan Lee & Lo has provided legal advice to Mr. Tsoi on 21 January 2026 as regards the requirements under the Listing Rules that are applicable to him as a director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and Mr. Tsoi acknowledged that he understood his obligations as a director of a listed issuer. Pursuant to the article 83(3) of the Articles of Association, Mr. Tsoi, who filled casual vacancies on the Board, shall hold office only until the first annual general meeting after his appointment, i.e. the 2026 AGM. He, being eligible, will offer himself for re-election at the 2026 AGM.

## Corporate Governance Report (Continued)

### Board (Continued)

#### Model Code for Securities Transactions by Directors and Relevant Employees

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the year 2025.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

#### Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance coverage in respect of legal actions against the Directors and senior management arising out of corporate activities of the Company. The insurance will be reviewed and renewed annually.

#### Directors Trainings

Every newly appointed Director receives a comprehensive, formal and tailored induction to ensure he/she has a proper understanding of the Company's operations and business as well as his/her duties and responsibilities as a director under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Company Secretary also provides the updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirement to the Board from time to time.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has also arranged for Directors to attend training, which emphasis on the roles, functions and duties of a listed company director. Directors can also join any training, forum or seminar at cost of the Company. All Directors are required to provide a training records to the Company, which are maintained by the Company Secretary.

The Company has received from the Directors below a record of the training they received for the year ended 31 December 2025:

Directors	Type(s) of training (See Remarks)
Mr. Zhang Guiqing	A, B
Mr. Xiao Junqiang	A, B
Mr. Kam Yuk Fai	A, B
Mr. Guo Lei	A, B
Ms. Ng, Yat Wing Athena	A, B
Mr. Yung, Wing Ki Samuel	A, B
Mr. Lim, Wan Fung Bernard Vincent	A, B

Remarks:

- A: Attending seminars or trainings  
B: Reading materials



## Corporate Governance Report (Continued)

### Board (Continued)

#### Board Meetings

During the year, the Board held four regular meetings to review and approve, inter alia, the financial and operational results of the Group, reports of external auditor as well as reports of internal audit department. An additional Board meeting was held to consider and approve ad hoc matters and transactions.

At least 14 days formal notice is given before each regular Board meeting and reasonable notice is given before the ad hoc Board meeting. Agenda accompanying Board papers and related materials, which are in a form and quality sufficient to enable the Board to make informed decisions, are sent to all Directors at least 3 days before each regular Board meeting. Directors are given the opportunity to comment on the draft Board meeting agenda to include items that they would like to discuss.

All Directors have timely access to all relevant information of the Company as well as the advice and services of the Company Secretary and senior staff, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may seek independent professional advice in appropriate circumstances at the Company's expenses upon reasonable request made to the Board. If the subject under discussion at a Board meeting involves conflict of interests of substantial Shareholders or Directors and the Board considers that the conflict of interests is material, the matter would be dealt with by a meeting (including physical and/or virtual) rather than a written resolution. The Board will ensure that there are sufficient independent directors participating in discussing about and voting on the relevant resolution.

The Company Secretary is responsible for taking minutes of Board meetings and committee meetings. Directors are given an opportunity to comment on the draft minutes which are sent to Directors within a reasonable time frame. Such minutes are prepared with details of the decisions reached, any concerns raised and dissenting views expressed by directors. All minutes are opened for inspection by any Director.

Details of the attendance records of each Board member for 2025 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

### Board Committees and Corporate Governance Functions

As part of good corporate governance, the Board has set up four Board committees, namely Remuneration Committee, Audit Committee, Nomination Committee and Sustainability Steering Committee for overseeing particular aspects of the Company's affairs. Each committee has its own specific delegated authorities and operates within defined written terms of reference.

#### Remuneration Committee

During the year, the Remuneration Committee comprises a total of four members, being the Chairman of the Board and three Independent Non-executive Directors, namely, Mr. Zhang Guiqing, Mr. Yung, Wing Ki Samuel, Mr. Lim, Wan Fung Bernard Vincent and Mr. So, Gregory Kam Leung (*passed away on 13 December 2025*). From 1 January 2025 to 12 December 2025, the chairman of the Remuneration Committee was Mr. So. Subsequently, Mr. Tsoi Wing Sing has been appointed as the chairman of the Remuneration Committee with effect from 1 February 2026.

## Corporate Governance Report (Continued)

### Board Committees and Corporate Governance Functions (Continued)

#### Remuneration Committee (Continued)

The main duties and responsibilities of the Remuneration Committee including, but not limited to:

- make recommendations to the Board on the Group's remuneration policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- either to determine, with delegated responsibility, or make recommendations to the Board on the remuneration packages of individual Executive Director and senior management, including without limitation, basic salaries, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of his/her office or appointment; and
- make recommendations to the Board on the remuneration of non-executive directors.

The terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

For the year ended 31 December 2025, the Remuneration Committee has held one meeting during which it has performed the following major works:

- reviewed the proposed remuneration packages (including bonus and benefits) of all Directors and senior management and recommended the proposal to the Board for approval.

The Remuneration Committee has been provided sufficient resources to perform its duties. Chairman of the Remuneration Committee has reported back to the Board on its decisions and recommendations after each meeting.

Details of the attendance record of each Remuneration Committee member for 2025 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

Pursuant to the Company's Director Remuneration Policy, the remuneration packages of the Executive Directors shall comprise fixed and variable components linking to the Group's operating results, individual performance and comparable market statistics. Non-executive Directors (including Independent Non-executive Directors) shall receive fixed remuneration/fee to be set at an appropriate level to attract and retain first-class non-executive talent by reference to the relevant time commitment required and the size and complexity of the Group and benchmarked against a peer group.

Details of the remuneration of each Director for the year ended 31 December 2025 are disclosed in note 9 to the financial statements contained in this Annual Report.



## Corporate Governance Report (Continued)

### Board Committees and Corporate Governance Functions (Continued)

#### Remuneration Committee (Continued)

The remuneration of the senior management of the Company is determined with reference to the remuneration policy of the Group and based on individual skills, knowledge, experience, performance and contribution, the overall performance of the Group, the prevailing economic environment and the market trend. The remuneration of the senior management of the Company by band for the year ended 31 December 2025 is set out below:

Remuneration Bands (RMB)	Number of Persons
1,000,000 or below	3
1,000,001–2,000,000	3

#### Audit Committee

During the year, the Audit Committee comprises a total of three Independent Non-executive Directors of the Company, namely, Mr. Yung, Wing Ki Samuel, Mr. Lim, Wan Fung Bernard Vincent and Mr. So, Gregory Kam Leung (*passed away on 13 December 2025*). The chairman of the Audit Committee is Mr. Yung, who is possessing the appropriate accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules. Subsequently, Mr. Tsoi Wing Sing has been appointed as a member of the Audit Committee with effect from 1 February 2026.

The main duties and responsibilities of the Audit Committee including, but not limited to:

- make recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- review the financial information and reports of the Group;
- oversee the Group's financial reporting system, risk management and internal control systems;
- review the interim and final results of the Group prior to submission to the Board for approval; and
- review financial reporting and internal control matters and to this end has unrestricted access to both the Company's external and internal auditors.

The terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

## Corporate Governance Report (Continued)

### Board Committees and Corporate Governance Functions (Continued)

#### Audit Committee (Continued)

For the year ended 31 December 2025, the Audit Committee has held four meetings during which the Audit Committee has performed the following major works:

- reviewed, discussed and recommended to the Board for approval of the Group's consolidated financial statements, results announcements, Chairman's statement and business review for the year ended 31 December 2024 and for the six months ended 30 June 2025 and the quarterly financial information for the periods ended 31 March 2025 and 30 September 2025;
- reviewed and approved the audit plan for the year ended 31 December 2025;
- reviewed the annual compliance status of the Deeds of Non-competition between the Group and China State Construction Engineering Corporation ("CSCEC") and China State Construction Engineering Corporation Limited ("CSCECL");
- reviewed and discussed the internal audit report and risk management reports of internal audit department and legal and compliance department respectively, the progress and the effectiveness of the risk management and internal control systems and the internal audit implemented by the Group;
- reviewed the continuing connected transactions and related matters of the Group for the year ended 31 December 2024; and
- reviewed and approved the proposed fee of external auditor in respect of audit services and non-audit services for the year ended 31 December 2025.

Each of CSCEC and CSCECL has provided with the Company a confirmation on compliance pursuant to their undertakings under the Deeds of Non-competition. The Audit Committee has reviewed the confirmations and noted that for the year ended 31 December 2025, each of CSCEC and CSCECL has complied with the Deeds of Non-competition.

The Audit Committee has been provided sufficient resources to perform its duties. Chairman of the Audit Committee has reported back to the Board on its decisions and recommendations after each meeting.

Details of the attendance record of each Audit Committee member for 2025 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

#### Nomination Committee

During the year, the Nomination Committee comprises a total of five members, being the Chairman of the Board, a Non-executive Director and three Independent Non-executive Directors, namely, Mr. Zhang Guiqing, Mr. Yung, Wing Ki Samuel, Mr. Lim, Wan Fung Bernard Vincent, Mr. So, Gregory Kam Leung (*passed away on 13 December 2025*) and Ms. Ng, Yat Wing Athena (*appointed on 27 June 2025*). The chairman of the Nomination Committee is Mr. Zhang. Subsequently, Mr. Tsoi Wing Sing has been appointed as a member of the Nomination Committee with effect from 1 February 2026.

## Corporate Governance Report (Continued)

### Board Committees and Corporate Governance Functions (Continued)

#### Nomination Committee (Continued)

The main duties and responsibilities of the Nomination Committee including, but not limited to:

- review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional and industry experience, skills, knowledge and length of service) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships with consideration on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
- make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer of the Company, taking into account the Company's corporate strategy and with due regard for the benefits of diversity on the Board;
- assess each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his or her responsibilities effectively;
- assess the independence of Independent Non-executive Directors;
- support the Company's regular evaluation of the Board's performance;
- review the Nomination Policy on a regular basis, including the nomination procedures, selection, and recommendation criteria for director candidates; and
- review the Board Diversity Policy on a regular basis, monitor the implementation of the policy and ensure the continued effectiveness of the policy.

The terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

For the year ended 31 December 2025, the Nomination Committee has held two meetings during which the Nomination Committee has performed the following major works:

- reviewed the structure, size and composition (including the skills, knowledges and experiences) of the Board;
- recommended to the Board on re-election of retiring Directors;
- assessed the independence of the Independent Non-executive Directors; and
- recommended to the Board on the resignation of Mr. Pang Jinying as Executive Director, Vice President of the Company and alternate to the authorised representative of the Company on the Stock Exchange.

## Corporate Governance Report (Continued)

### Board Committees and Corporate Governance Functions (Continued)

#### Nomination Committee (Continued)

The Nomination Committee has been provided sufficient resources to perform its duties. Chairman of the Nomination Committee has reported back to the Board on its decisions and recommendations after each meeting.

Details of the attendance record of each Nomination Committee member for 2025 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

#### Sustainability Steering Committee

The Sustainability Steering Committee comprises a total of five members, being the Chairman of the Board, Chief Executive Officer and three Independent Non-executive Directors, namely, Mr. Zhang Guiqing, Mr. Xiao Junqiang, Mr. Yung, Wing Ki Samuel, Mr. Lim, Wan Fung Bernard Vincent and Mr. So, Gregory Kam Leung (*passed away on 13 December 2025*). The chairman of the Sustainability Steering Committee is Mr. Lim. Subsequently, Mr. Tsoi Wing Sing has been appointed as a member of the Sustainability Steering Committee with effect from 1 February 2026.

The main duties and responsibilities of the Sustainability Steering Committee including, but not limited to, assist the Board in providing direction on the sustainability priorities and goals and to assess, review and recommend to the Board for approval the public documents related to sustainability matters.

For the year ended 31 December 2025, the Sustainability Steering Committee has held two meetings during which the Sustainability Steering Committee has reviewed, discussed and recommended to the Board for approval of the Group's 2024 sustainability report and the related policy. The Sustainability Steering Committee has been provided sufficient resources to perform its duties. Chairman of the Sustainability Steering Committee has reported back to the Board on its decisions and recommendations after each meeting.

Details of the attendance record of each Sustainability Steering Committee member for 2025 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

#### Corporate Governance Functions

The Board is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the year, the Board reviewed the Company's compliance with the CG Code and the applicable statutory and regulatory requirements and disclosures in this Corporate Governance Report.



## Corporate Governance Report (Continued)

### Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting

Details of Directors' attendance at the Board Meetings, Meetings of Board committees and Shareholders' Meeting held in 2025 are set out in the table below:

Directors	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Sustainability	General Meeting
					Steering Committee Meetings	
<b>Executive Directors:</b>						
Mr. Zhang Guiqing	5/5	N/A	1/1	2/2	2/2	1/1
Mr. Xiao Junqiang	5/5	N/A	N/A	N/A	2/2	1/1
Mr. Kam Yuk Fai	5/5	N/A	N/A	N/A	N/A	1/1
Mr. Pang Jinying <sup>2</sup>	4/4	N/A	N/A	N/A	N/A	1/1
<b>Non-executive Directors:</b>						
Mr. Guo Lei	5/5	N/A	N/A	N/A	N/A	1/1
Ms. Ng, Yat Wing Athena <sup>3</sup>	5/5	N/A	N/A	1/1	N/A	1/1
<b>Independent Non-executive Directors:</b>						
Mr. Yung, Wing Ki Samuel	5/5	4/4	1/1	2/2	2/2	1/1
Mr. Lim, Wan Fung Bernard Vincent	5/5	3/4	1/1	2/2	2/2	1/1
Mr. So, Gregory Kam Leung <sup>4</sup>	3/5	3/4	1/1	1/2	1/2	1/1

Note:

1. The attendance figure represents actual attendance/the number of meetings the relevant Director is entitled to attend.
2. Mr. Pang Jinying resigned as an Executive Director on 28 October 2025.
3. Ms. Ng, Yat Wing Athena has been appointed as a member of the Nomination Committee on 27 June 2025.
4. Mr. So, Gregory Kam Leung passed away on 13 December 2025.

In addition, during the year ended 31 December 2025, Mr. Zhang Guiqing, the Chairman of the Board, has held a meeting with the Independent Non-executive Directors without the presence of other Directors.

Moreover, the Audit Committee also met with the external auditor annually in the absence of management to discuss matters relating to any issue arising from audit and any other matters the external auditor may wish to raise.

## Corporate Governance Report (Continued)

### Directors' Responsibilities for Financial Reporting in respect of the Consolidated Financial Statements

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

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

To assist the Board to make informed decisions, the Board is provided a monthly management report, which contains the up-to-date operating performance and financial information of the Group. Meanwhile, the Board can access information from senior management independently.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. The Company also confirmed that the processes for financial reporting and the Listing Rules compliance remain effective.

### Risk Management and Internal Control

The Board acknowledged its responsibility for (a) evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives; (b) ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems (such risks include but are not limited to those related to environmental, social and governance issues); and (c) overseeing management in design, implementation and monitoring of the risk management and internal control systems and management of the Company shall provide a confirmation to the Board on the effectiveness of these systems.

### Managing Risks to Achieve Goals of Sustainable Growth

Sustainable business growth relies on the Group's full awareness of various risks faced by the Group when making wise decisions. The Group's risk management framework has been enhanced on an ongoing basis to ensure a sound and comprehensive management of risks at different stages.

### Risk Management Responsibilities

The Group adopts a systematic approach to risk management, constructs a risk management structure with division of responsibility and reporting procedures clearly defined, in order that risks be identified and their impacts on business be minimised and to ensure the requirements of relevant code provisions relating to risk management as amended by the Stock Exchange are complied with. In particular, in recognizing the effective integration of risk management with internal control, the Group acknowledges the following responsibilities:

- the Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategies objectives, ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board, through the Audit Committee, oversees management in the design, implementation and monitoring of the risk management and internal control systems.

## Corporate Governance Report (Continued)

### Risk Management Responsibilities (Continued)

- the Audit Committee is responsible for overseeing the finance, risk management and internal control of the Company as well as monitoring the implementation of the relevant code provisions relating to risk management as amended, and reviewing from time to time the changes in the nature and extent of the Company's significant risks and the Company's ability to respond to changes in its business and external environment.
- the management is responsible for the design, implementation and monitoring of the risk management and internal control systems, continuously monitors the scope and quality of the risk and internal control system, and evaluates the effectiveness of the risk management and internal control systems which are subsequently reported to the Board.
- The Legal and Compliance Department is responsible for coordinating and organizing each business units to identify and evaluate the risk factors of the Company's development goals, and timely updating and improving internal monitoring systems or actions to prevent or respond to related risks.
- the Audit Department is responsible for the independent assessment of the risk management and internal control systems through internal audit

### Risk Management and Internal Control Systems Operation

With the adjustment of the domestic macroeconomy and the in-depth transformation of the real estate industry, the property management industry has entered a stage of competition for existing market share. The industry, as a whole, faces operational challenges such as the obstacles to project expansion and the pressure to collect property fees. In addition, the convergence of various risks, such as stricter compliance regulation and market competition, accelerated the process of industry reshuffling. At the same time, policy guidance and digital transformation introduce new development opportunities, and the industry development trend has shifted towards high-quality services and refined operations. Against this backdrop, the Group consistently prioritised risk prevention and control in its business development throughout 2025. We proactively assess industry risk trends, continuously improve our comprehensive "three lines of defence" risk management system, strengthen risk warning and closed-loop management and control in each business segment, and implement multiple measures to withstand the dual pressure of operations and compliance.

The "first line of defence" consists of business and functional departments and units at all levels, which are responsible for risk management in their own functional areas or units, and in accordance with the principle of "where there is management, there must be risk management", the responsibility for risk management should be clearly defined to be consistent with the scope of business management and authority. Risks must be fully considered in business decision making, the responsibilities of management positions at all levels in respect of significant risks must be clear and specific, and relevant preventive and control measures must be implemented at all levels to create a risk prevention and control atmosphere in which "businesses are managed, risks prevented, and responsibilities shouldered".

## Corporate Governance Report (Continued)

### Risk Management Responsibilities (Continued)

#### Risk Management and Internal Control Systems Operation (Continued)

The "second line of defence" consists of the office of the risk and compliance management committee, i.e. the Legal and Compliance Department, and dedicated legal advisers (risk managers) of each unit. As the executive body implementing the decisions of the risk and compliance management committee, it organises and carries out tasks such as constructing risk systems, risk assessments, and risk warnings. When major risk event occurred, the "second line of defence" is responsible for coordinating and organising timely measures to respond appropriately and report to the risk and compliance management committee immediately, implementing the instructions of the risk and compliance management committee in accordance with its resolution, assisting relevant business and functional departments in risk disposal, and optimising and enhancing the effectiveness of compliance and risk management. In addition, in order to improve the risk identification capability, a risk reporting mechanism has been established, and a major risk event reporting process has been set up. After the occurrence of a major risk event, the unit or department in which the event occurs will report such event to the unit at its own level and to the Legal and Compliance Department according to a predefined process, and the Legal and Compliance Department will conduct professional analysis and then report it to the relevant management for deliberation, and then collaborate with the management departments under the relevant business to carry out risk management, so that the risk will be reported early and disposed of as soon as possible, and vertical hierarchical management and horizontal synergistic disposal of risks will be realised.

The "third line of defence" consists of the monitoring and auditing departments. Its duty is to supervise the management measures and effects of the first and second lines of defence, assuming responsibilities for supervision, urging rectification and holding accountable for losses.

Each of the three lines of defence performs their duties and responsibilities, enhancing information sharing and communication cooperation, strengthening process supervision and inspection, forming a linkage mechanism for risk management, business, internal control, internal audit, supervision, etc., exerting combined efforts, holding people accountable, and adhering to the bottom line of risk.

The Group has assigned full-time risk managers in the Legal and Compliance Department, platform companies, city companies and professional subsidiaries to take the lead in organising the risk management work of their respective units, while part-time risk managers are assigned to assist department heads in carrying out risk management work. In order to improve the control capability of risk management personnel, the Legal and Compliance Department has explored the establishment of a regular risk training mechanism, convened quarterly risk meetings and organised regular risk knowledge training for professional and part-time risk management personnel.



## Corporate Governance Report (Continued)

### Summary of Key Risk Management Tasks

#### 1. Enhance the construction of risk management system and improve the quality and efficiency of risk management standards

The Group has established a robust three lines of defense for risk management, formulated a risk event classification management plan, established a three-tier risk management and control mechanism spanning “headquarters, city, and project” levels. In addition, risk management and control resources were appropriately allocated, while risk reporting mechanisms and handling procedures were improved, thereby enhancing the efficiency of our risk management. We have established a risk management assessment mechanism, incorporating risk management into key aspects of legal compliance evaluation and annual assessment. This reinforced employees’ risk management and control responsibilities, strengthened the risk management awareness of all personnel, and fostered a benign environment of “risk discussion among everyone, risk prevention within everything”. To overcome the limitations of information transmission inherent in the traditional risk management model, dedicated employee feedback channels, including specific email addresses for submitting risk-related feedback, have been established. This enables the risk management system to become more multi-dimensional and diversified, promoting the transformation of the risk management system from “top-down” normative constraints to a “top-down linkage” collaborative prevention and control model.

#### 2. Strengthen risk prediction and prevention to build a solid barrier for risk management

The Group has strengthened its risk monitoring and warning capabilities by establishing a risk monitoring and warning indicator system and developing a risk monitoring and warning indicator model, promoting the transformation of risk management from experience-driven to data-driven. The Group has stepped up efforts to prevent risk associated with major contract execution, with a particular focus on urban operations projects. Centered on core business areas such as management of universities, hospitals, industrial parks, and integrated environmental sanitation services, we gained a deep understanding of business needs, provided advisory services, and identified key legal risks related to the responsibilities and obligations of the contracting parties, service standards, and collaboration mechanisms, thereby providing solid legal support for the implementation of its urban operations strategy. The Group has focused on the performance risks of significant contracts by conducting risk monitoring and establishing a key contract monitoring list. Contracts with high values or significant impact, which may pose substantial performance risks, are strictly controlled to ensure the “early identification, warning, and mitigation” of contract risks. Furthermore, we have enhanced risk inspections in critical areas by organising safety risk inspections, including those related to elevator safety hazards, electrical facilities and manhole covers in public area, while strictly implementing primary responsibilities and supervisory duties for production safety. In 2025, the Group conducted 519 risk inspections and issued 267 risk warning notices, effectively reducing both the likelihood of risk occurrences and the potential losses. This has facilitated the shift of risk management from a “reactive” to a “preventive” approach, thereby laying a solid foundation for the Company’s long-term development.

## Corporate Governance Report (Continued)

### Summary of Key Risk Management Tasks (Continued)

#### 3. Enhance the management of key and complex risk events to consolidate the foundation for stable business development

The Group attaches great importance to the handling of major risk events. We convened specialised communication meetings to comprehensively review risk points, conducted in-depth analyses of risk mitigation approaches, and established a weekly follow-up and supervision mechanism to advance risk resolution. To enhance the management of key and complex risks, the Group organised a total of 220 risk management training sessions in 2025, focusing on areas including production safety, public area management, and contract execution. To improve the production safety knowledge and management capabilities of personnel in key positions, the Group launched the "Daily Safety Briefing" initiative for safety directors. Through the internal platform, safety knowledge and corresponding assessment questions was delivered daily to general managers and safety directors of each business unit. Response data were published quarterly, and examinations were conducted biannually, with the results disseminated across the Group. This initiative strengthened the ability of personnel in critical positions to identify risks at an early stage, thereby reducing the likelihood of risk escalation from the outset, and providing robust support for the Group's operational safety and sustainable development.

### Identification of and Response to Key Risks

The Group adheres to the business-based principle to improve the accuracy of risk identification. The Group, based on its own operational realities, prepared the 2025 Risk Inventory, covering financial, operational, compliance, environmental, social, and governance risks. It comprises 5 first-level risks, 35 second-level risks, and 60 third-level risks. The risks were prioritized through statistical analysis. The top three risks were as follows: production safety risk, cash flow risk and market competition risk. In addition, the Company also disclosed other risks of the Group in the section headed "Management Discussion and Analysis" of this Annual Report, as well as in the Company's 2025 Sustainability Report.

### Prevention of and Response to Key Risks

#### 1. Production safety risk

In 2025, the Group recorded zero production safety incidents. Throughout its production safety management work, the Group consistently adopted a rigorous and responsible approach, advancing initiatives in a comprehensive and multi-level manner to establish solid and reliable safety defences. The key measures implemented were as follows:

Firstly, we strengthened the foundational standards of its systems and improved the responsibility and training framework. Through a systematic breakdown process, it developed 1 second-level management regulation, 13 third-level implementation standards, and over 200 standardised operating procedures (SOPs), thereby establishing a comprehensive set of production safety standards. Leveraging 12 core management elements and a list of 23 key tasks, we clarified the safety management responsibilities of senior management and reinforced accountability. Simultaneously, we developed a specialised question bank comprising 200 theoretical knowledge points and 24 practical scenarios across 6 categories, providing robust support for safety training and assessments.



## Corporate Governance Report (Continued)

### Prevention of and Response to Key Risks (Continued)

#### 1. Production safety risk (Continued)

Secondly, we strengthened hazard identification and remediation to reinforce safety awareness among all staff. Leveraging the “5+5” routine safety inspection system, we implemented targeted measures and closed-loop controls, achieving a cumulative hazard rectification rate of 99.6%. Focusing on 8 high-risk areas, we carried out targeted safety improvement initiatives, organised specialised safety training for 4,356 participants, and certified 67 senior safety officers, thereby enhancing the core strength of its safety management team. In addition, we continued to implement the “Daily Safety Briefing” initiative as a regular promotion and education activity, fostering a strong culture of safety awareness and practice among all employees.

Thirdly, we harnessed technology to enhance safety management and reinforce service assurance standards. We made significant strides in the digitalisation and intelligent upgrading of safety management, integrating smart fire protection systems across 852 projects and implementing intelligent operation and maintenance management for 15,374 elevators. We successfully registered the dedicated brand logo for “Safety Horn”, thereby strengthening the visibility and communication of our safety culture. Further, we systematically compiled and formalised 33 standardised safety service guidelines, spanning a total of 40 pages, further standardising service processes and improving service quality. In doing so, we established a comprehensive, multi-dimensional safety defence system.

#### 2. Cash Flow Risk

In 2025, the Group placed strong emphasis on cash flow management, prioritizing cash-backed profitability and focusing on the control of accounts receivable. We made a concerted effort to collect outstanding payments and implemented multiple measures to ensure timely payment collection. Key initiatives are as follows:

Firstly, we implemented budget target management by setting annual collection and overdue payment recovery targets, which were further broken down to each city level to clarify accountability and ensure effective execution.

Secondly, we established a mechanism linking accounts receivable collection and overdue payment recovery to performance assessment, refined evaluation criteria, improved the appraisal system, and incorporated collection performance into the performance evaluation system, reinforcing performance orientation and ensuring closed-loop accountability.

Thirdly, we focused on key projects and key clients while establishing a routine analysis mechanism for accounts receivable and regularly reviewing receivable statuses. We also identified potential risks, dynamically updated control targets, implemented classified and tiered management measures, and developed targeted collection strategies to ensure orderly recovery of receivables.



## Corporate Governance Report (Continued)

### Prevention of and Response to Key Risks (Continued)

#### 3. Market Competition Risk

Given the high risks and low unit prices associated with residential project undertaking, we have gradually shifted the focus toward expanding non-residential projects in order to pursue high-quality development. To secure high-quality projects, the Group's project development efforts are increasingly directed toward four core urban clusters — the Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei region, and the Chengdu-Chongqing economic circle — as well as projects in Tier 1 and Tier 2 high-potential cities. Key initiatives to achieve high-quality market expansion are as follows:

Firstly, we focused on key expansion areas within the non-residential sector, with emphasis on strengthening our market presence in public facilities such as hospitals and schools. We enhanced end-to-end support through resource allocation and dedicated team support to increase our bid success rate and market share in non-residential projects.

Secondly, we deepened the "Synergy+" collaborative development mechanism between CCSTC and COPL, promoting in-depth sharing and efficient coordination of customer information, premium government resources, and industry channels. This approach removed resource barriers and consolidated collaborative efforts, leveraging synergies to uncover additional cooperation opportunities and expand market development potential.

Thirdly, we optimised the market expansion strategy by aligning closely with industry trends and market demand. We precisely targeted core markets within high-potential cities and key urban clusters, increased investment in market research and strategic deployment, and directed business resources toward high-value regions. These measures promoted high-quality and refined market expansion, reinforcing the competitive advantage in core regional markets.

In 2025, the Group systematically advanced full-process risk management, encompassing risk identification, assessment, and prevention, and rigorously implemented the aforementioned risk control measures, effectively mitigating various potential risks. During the year, the Group's overall risk level remained within a controllable range, with no major risk events or systemic risk hazards reported. All risk control measures were effectively implemented, demonstrating the effectiveness of our control measures and ensuring the Group's steady and orderly business development.

In 2026, the Group will continue to focus on the overall risks and systemic risks, constantly strengthen the control of major risks, establish a comprehensive mechanism for the control of key risks, ensure the effective operation of risk monitoring and early warning system, and promote the in-depth integration between risk management and the businesses of important operating areas, in order to strengthen the security defensive line of the sustainable development of the enterprise.



## Corporate Governance Report (Continued)

### Internal Control

The Audit Department strictly fulfilled its duties as the third line of defense. In order to objectively and truly reflect the corporate governance standard and the establishment and improvement of the internal control system and other business management activities, it strictly adhered to the annual audit plan, insisted on incorporating internal control compliance evaluation into the regular audit projects, and conducted random checks to verify the self-evaluation of internal control. At the same time, taking into account the actual development stages of the Group and the operational characteristics of the audited projects, it carried out internal control assurance evaluation and audit supervision with different focuses.

In terms of self-evaluation of internal control, the Audit Department carried out internal control self-evaluation work in a manner of "unified planning, hierarchical implementation, evaluation to promote reform, and review integration". The internal control self-evaluation entities comprise 44 second and third level units of the Group, including 16 platform companies, 23 city companies and 5 directly affiliated units (including overseas Hong Kong and Macao companies), achieving 100% full coverage of self-evaluation entities.

The heads of units at all levels, as the main body responsible for internal control self-evaluation, comprehensively review the defects and deficiencies in the Company's management system and management process with the objectives and guiding principles of strengthening internal control, preventing risks and promoting compliance. The 2025 internal control self-evaluation was conducted in line with the actual business practices of the property group, with control points reviewed and updated accordingly. The evaluation content covers 13 major categories of main processes and 224 key control points, including business decision-making, market expansion performance recognition and incentive distribution, financial revenue and expenditure, bidding and procurement, fund management, overseas business and other important areas. A total of 62,898 samples were tested this year, an increase of 5,412 samples, or 9%, compared to last year.

Following the self-assessment and self-evaluation processes, the heads of each unit shall issue their respective "2025 Internal Control Self-Assessment Report" and shall be held accountable for the conclusions drawn from their unit's internal control and self-assessment. Based on a large substantial of self-assessment test samples, it has been concluded that none of the units have any material weaknesses or systemic risks in internal control.

In terms of internal audit supervision, the audit department, during the course of audit engagements, focused on the "operational compliance and efficiency" of audited entity. We closely monitored key areas such as project revenue and cost fluctuations, changes in receivables and payables, progress in collections and overdue recovery, cash flow management, and funding for project losses. Through methods including questionnaires, audit interviews, document sampling, and on-site inspections, the audit process extended to even the smallest business units to analyse risks and conduct full-process oversight. A total of 1,749 business contracts and 2,582 accounting vouchers were reviewed, and information on 1,434 suppliers was examined. Sample testing achieved 100% coverage of key businesses areas, including market development, technology and R&D, finance and treasury, operations management, and human resources and administration.



## Corporate Governance Report (Continued)

### Annual Confirmation

During the year, a risk management and internal control report was submitted by the Legal and Compliance Department and Audit Department respectively to the Audit Committee for review at least semi-annually. The Board, through the Audit Committee, has reviewed reports concerning risk management and internal control systems and also conducted annual review on the effectiveness of the risk management and internal control systems of the Group and unanimously considered that the risk management and internal control systems and procedures of the Company for the financial year ended 31 December 2025 were adequate and effective. The Company will continue to strengthen the soundness and effectiveness of its risk management framework and implementation to meet the best practice within the industry. The aforementioned risk management and internal control systems aim to provide reasonable assurance, rather than eliminating the risk of failing to achieve business objectives. Therefore, such systems can only provide reasonable but not absolute assurance of not having any material misrepresentation or losses.

Apart from the aforementioned, the Board has adopted the following policies to enhance the effectiveness of the risk management and internal control systems of the Group:

#### 1. Information Disclosure Policy

The policy is aim to set out the practices and procedures to regulate the dissemination of inside information within the Group. This policy can be viewed at the Company's website.

#### 2. Whistleblowing Policy

The policy enables all employees of the Group and other stakeholders who have business dealings with the Group (including but not limited to customers/property owners/tenants, contractors, suppliers, creditors and debtors, etc.) to report to the Company, in confidence and in an anonymous manner, any suspected impropriety misconduct, misbehaviour, malpractice or irregularity within the Group. In accordance with this policy, the number, nature and outcome of reports received and investigated by the Company shall be reported to the Audit Committee on a semi-annual basis. In addition, any complaints that may have a material consequence for the Company must be promptly reported to the Audit Committee.

#### 3. Anti-Fraud and Anti-Bribery Policy

The policy is to promote the Company's culture of integrity and honesty, encourage employees to maintain good conduct, and at the same time strengthen the Group's overall ability to detect and prevent fraud and bribery.

The Board confirms that the Company's risk management and internal control system has adequate resources and professional and experienced staff for the accounting, internal audit and financial reporting functions, as well as the Company's environmental, social and governance performance and reporting, and the training programs and relevant budgets received by the staff are sufficient

## Corporate Governance Report (Continued)

### Company Secretary

The Company Secretary of the Company is a full time employee of the Company and is appointed by the Board. The Company Secretary reports to the Boards and is responsible for advising the Board on governance matter. The Company Secretary has taken not less than 15 hours of relevant professional training for the year ended 31 December 2025 and comply with the Rule 3.29 of the Listing Rules.

### External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about its reporting responsibilities on the Company's consolidated financial statements for the year ended 31 December 2025 is set out in the section headed "Independent Auditor's Report" of this Annual Report.

The fees paid/payable to Ernst & Young, the Company's external auditor, in respect of audit services and non-audit services (represented professional services rendered in connection with the Group's sustainability and business consultancy, preliminary results announcement and continuing connected transactions) for the year ended 31 December 2025 are analyzed below:

Type of services provided by the external auditor	Fees paid/payable RMB'000
Audit services	
– audit fee in respect of annual audit	4,007
Non-audit services	1,735
Total:	5,742

### Communications with Shareholders and Investors

The Group recognizes the importance of transparent and timely disclosure of corporate information, which enables shareholders and investors to make the best investment decision. The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies.

#### 1. Shareholders' Communication Policy

The Company has adopted a shareholders communication policy (the "Shareholders Communication Policy") with an aim of promoting and maintaining an on-going dialogue with shareholders and the investment community, procedures for shareholders sending enquiries and concerns to the Board and other policies concerning communication with shareholders and investors have been established in the policy. The policy can be viewed at the Company's website.

## Corporate Governance Report (Continued)

### Communications with Shareholders and Investors (Continued)

#### 2. Communication Channel

##### a. *The Company's Website*

The Company maintains a website at [www.copl.com.hk](http://www.copl.com.hk) provides comprehensive and most updated information on the Group's businesses and projects, key corporate governance policies, announcements, financial reports, circulars and corporation information such as composition of the Board, Board committees and their respective terms of reference, biographical information of Directors and the senior management.

##### b. *General Meetings*

General meetings serve as a communication platform where the Board can maintain an open dialogue with shareholders and investors. The Company encouraged shareholders to participate in general meetings or to appointed proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Questioning by the shareholders at general meetings is encouraged and welcomed, which ensure shareholders' views are communicated to the Board.

##### c. *Other Activities*

The Company conducts regular meetings with investors including results presentations, organizes and joins various roadshows, reverse roadshows, investor strategy meetings and other communication activities, during which the Company's management and corporate communication department will provide the Company's information to the shareholders and investors, as well as answer their enquiries related to the Company in a prompt, complete and accurate manner.

##### d. *Enquiries*

Shareholders and investors may send written enquiries or requests to the Company, for the attention of Investor Relations Manager, as follows:

Tel : (852) 2988 0600  
Fax : (852) 2988 0606  
Email : [copl.ir@cohl.com](mailto:copl.ir@cohl.com)

#### 3. Communication Records

During the year, the Company has communicated with shareholders and investors through the following engagements:

##### a. *Annual General Meeting*

An annual general meeting of the Company has been held on 18 June 2025. The Chairman of the Board, the chairman of the Committees, other Board members and representatives of the external auditor attended that annual general meeting to respond to questions from Shareholders.



## Corporate Governance Report (Continued)

### Communications with Shareholders and Investors (Continued)

#### 3. Communication Records (Continued)

##### b. Other Activities

During the year, the Group maintained regular and frequent communication with investors (including existing Shareholders) and analysts through various channels, including roadshows/reverse roadshows, investment banking summits and routine meetings. During the year, the Group organised or participated in approximately 103 relevant meetings and engaged with approximately 368 institutions. Notably, following the publication of the 2024 annual results and 2025 interim results, the Group held results presentations and conducted 25 management roadshows/reverse roadshows, during which all Executive Directors engaged fully with the capital markets to provide detailed explanations of the Company's operational performance and development plans.

#### Major Investor/Shareholder Events in 2025

Time	Organiser	Event
First quarter	The Group	2024 Annual Results Presentation
	The Group	Annual Results Roadshow/Reverse Roadshow
Second quarter	Shenwan Hongyuan Securities	Shenwan Hongyuan Securities Spring Strategy Conference
	China Securities	China Securities Domestic Demand Theme Conference
	Minsheng Securities	2025 Interim Investment Strategy Meeting by Minsheng Securities
	Everbright Securities	Interim Listed Companies Exchange Meeting by Everbright Securities
	Guosheng Securities	2025 Interim Capital Market Conference by Guosheng Securities
Third quarter	CITIC Securities	2025 Capital Market Forum by CITIC Securities
	The Group	Annual General Meeting
	Citigroup	Citi's 2025 Asia Pacific Property Conference
	The Group	2025 Interim Results Presentation
	The Group	Interim Results Roadshow/Reverse Roadshow
Fourth quarter	Shenwan Hongyuan Securities	Listed Companies Exchange Meeting (Autumn Session) by Shenwan Hongyuan
	Industrial Securities	Listed Companies Exchange Meeting (Autumn Session) by Industrial Securities
	Caitong Securities	Listed Companies Exchange Meeting (Autumn Session) by Caitong Securities
	China Merchants Securities	Cross-Sector Listed Companies Exchange Meeting by China Merchants Securities
	Citigroup	Citi's 2025 China Conference
	CITIC Securities	2025 Capital Market Annual Conference by CITIC Securities
	Caitong Securities	2026 Annual Strategy Conference and Listed Companies Exchange Meeting by Caitong Securities
	UBS AG	UBS APAC Financials, Fintech and Property Corporate Day
	Zhongtai Securities	Zhongtai Securities Strategy Conference

## Corporate Governance Report (Continued)

### Communications with Shareholders and Investors (Continued)

#### 3. Communication Records (Continued)

##### *b. Other Activities (continued)*

During the engagement activities, questions raised by investors (including existing Shareholders) are generally addressed on the spot. The Group has established a standardised mechanism for following up on feedback, which involves the centralised collation, categorisation and archiving of comments and suggestions received through various channels, to facilitate review by management and relevant departments and the implementation of follow-up actions.

During the year, key issues of focus for investors (including existing Shareholders) primarily included industry development trends, the Group's overall strategic direction, operational and financial performance and dividend payment matters.

Based on the above, the Board is of the view that the Shareholders Communication Policy for the year ended 31 December 2025 is effective and adequately implemented.

### Dividend Policy

The Board has approved and adopted a dividend policy on 1 January 2019 (the "Dividend Policy"). Pursuant to the Dividend Policy, the Company may declare and pay its shareholders approximately 30% of profit of any financial year of the Company attributable to the owners of the Company as dividends, subject to the following rules:

- Whether the Company can pay dividends depends on, among other things, the operation results, cash flow and financial positions, operation and fund requirements, and dividends received from the Company's subsidiaries, while dividends from subsidiaries depend on whether those subsidiaries can pay dividends. Whether the Company can pay dividends is also subject to the laws of Cayman Islands and the regulations of the Articles of Association; and
- The Dividend Policy reflects the Board's current view about the financial and cash flow positions of the Company, but it will be reviewed from time to time and it is by no means any guarantee, statement nor indication that the Company must or will declare and pay dividends in such a manner. The decision of declaring and paying any dividend is at the discretion of the Board, subject to the applicable laws and regulations and the Articles of Association. In addition, declaration and payment of final dividends by the Company are subject to the final approval of the shareholders on the general meeting.

The Board confirms that the all dividend decisions made by the Board in 2025 were made in accordance with the Dividend Policy and the dividend rate in 2025 does not have material variation compared to that for the previous corresponding period.

## Corporate Governance Report (Continued)

### Shareholders' Rights

To safeguard shareholders' interests and rights, separate resolutions will be proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. The Company's shareholders may convene extraordinary general meetings or put forward proposals at shareholders' meetings as follows:

#### 1. Convening of Extraordinary General Meeting on Requisition by Shareholders

The Board may whenever it thinks fit call extraordinary general meeting. Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

#### 2. Procedures for Putting Forward Proposals at General Meetings by Shareholders

There are no provisions allowing shareholders to move new resolutions at general meetings under the Companies Acts of Cayman Islands or the Articles of Association. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

#### 3. Procedures for Directing Shareholders' Enquiries to the Board

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

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

Shareholders may refer to the Articles of Association for further details of the rights of shareholders.

All resolutions put forward at shareholders' meetings shall be voted by poll pursuant to the Listing Rules. Detailed procedures for conducting the poll are explained clearly at the beginning of the general meeting. The poll voting results will be posted on the websites of the Company and the Stock Exchange after each shareholders' meeting.

### Constitutional Documents

There was no change in the Company's constitutional documents during the year ended 31 December 2025. An up-to-date version of the Articles of Association is available on the websites of the Company and the Stock Exchange.

## DIRECTORS AND SENIOR MANAGEMENT

(As at 26 March 2026, date of this Annual Report)

### Executive Directors

#### Mr. Zhang Guiqing

*Chairman and Executive Director*

Aged 53, he is currently the Chairman of the Board, Executive Director, Authorized Representative, chairman of the nomination committee, a member of the remuneration committee and the sustainability steering committee of the Company and a director of a subsidiary of the Company. Mr. Zhang holds a Bachelor degree from Shenyang Jianzhu University, a Master degree from Harbin Institute of Technology and a Doctorate degree in Management from The Hong Kong Polytechnic University. He joined a subsidiary of China Overseas Holdings Limited ("COHL") as engineer in 1995 and since then, he worked in various business units within COHL and China Overseas Land & Investment Ltd. ("COLI", Stock Code: 688, listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")), such as, development management department, marketing and planning department, general manager of Suzhou, Shenzhen and Northern District regional companies. Mr. Zhang is a director of COHL. He was the executive director and chief executive officer, authorized representative and a member of remuneration committee of China Overseas Grand Oceans Group Ltd. ("COGO", Stock Code: 81, listed on the Main Board of the Stock Exchange). Mr. Zhang has over 30 years' experience in property development and corporate management.

#### Mr. Xiao Junqiang

*Chief Executive Officer and Executive Director*

Aged 48, he is currently Chief Executive Officer, Executive Director, Authorized Representative and a member of the sustainability steering committee of the Company and a director of certain subsidiaries of the Company. Mr. Xiao holds an Agriculture major from Hunan University of Arts and Science, an Administration Management major from Sun Yat-sen University and an Executive Master degree in Business Administration from University of Liège. He also obtained a senior economist. Mr. Xiao joined the group company of COLI in November 2000 and since then, he served different positions in COLI group and the Company, including the general manager of 北京中海物業管理有限公司, the general manager of human resources department, the assistant president and the vice president. Mr. Xiao is a deputy council member of Urban Update and Operation Committee of the China Civil Engineering Society (中國土木工程學會城市更新與運營分會). He has approximately 25 years' experience in operation of property management.

#### Mr. Kam Yuk Fai

*MBA, FCCA, CPA, Executive Director and Chief Financial Officer*

Aged 62, he is currently Executive Director and Chief Financial Officer of the Company and a director of certain subsidiaries of the Company. Mr. Kam graduated from The Hong Kong Polytechnic (now The Hong Kong Polytechnic University) with a Professional Diploma in Accountancy, and also held a Master degree in Business Administration from University of Strathclyde in Britain. He is a qualified accountant, a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Kam had held various senior finance positions, and Mr. Kam served as the group financial controller in a company listed on the Main Board of the Stock Exchange for certain years. He had also served as the general manager of Finance & Treasury Department (HK) of COGO. Mr. Kam has over 38 years' experience in the fields of accounting, auditing and finance.

## Directors and Senior Management (Continued)

(As at 26 March 2026, date of this Annual Report)

### Non-executive Directors

#### Mr. Guo Lei

*Non-executive Director*

Aged 54, he is currently Non-executive Director of the Company. Mr. Guo holds a Bachelor degree in Engineering from Shenyang Architecture and Civil Engineering Institute (now known as Shenyang Jianzhu University), a Master degree in Management from Harbin University of Architecture and Engineering (now known as Harbin Institute of Technology), a Master degree in Business Administration from China Europe International Business School and a Doctorate degree in Management from Harbin Institute of Technology. He also obtained qualification in Professor-level Senior Engineer from China State Construction Engineering Corporation ("CSCEC") and is a fellow member of The Chartered Institute of Building. Mr. Guo joined a subsidiary of COLI in July 2003 and engaged in investment, marketing, engineering and contracts management. He served as general manager of certain regional companies (including Yinchuan, Shenyang, Xiong'an and Shijiazhuang, etc.) and department. He also served as assistant president of COLI. Mr. Guo is currently serving as vice president of COLI, chairman of 中建宏達建築有限公司 and chairman of 鶴山天山金屬材料製品有限公司. He has about 32 years' experience in engineering, contract and corporate management in real estate industry.

#### Ms. Ng, Yat Wing Athena

*CPA · ACG · HKACG · CESGA · CFA, Non-executive Director*

Aged 43, she is currently Non-executive Director and a member of the nomination committee of the Company. Ms. Ng holds a Bachelor degree of Science in Commerce from McIntire School of Commerce, University of Virginia and completed The Prince of Wales's Business & Sustainability Program in Institute for Sustainability Leadership, University of Cambridge. She is a Certified Public Accountant of Virginia Board of Accountancy, USA and Hong Kong Institute of Certified Public Accountant, Hong Kong, Chartered Secretary of The Hong Kong Chartered Governance Institute, Hong Kong and The Chartered Governance Institute, United Kingdom, Chartered Financial Analyst of CFA Institute, Fundamentals of Sustainability Accounting (FSA) Credential holder and Certified ESG Analyst of The European Federation of Financial Analysts Societies. Ms. Ng is currently serving as the Chief Communications Officer of COLI. She is also presently a board member and honorary treasurer of Friends of the Earth (HK) Charity Ltd., a council member of The Hong Kong Institute of Directors, vice president of Hong Kong Business Accountants Association and a council member of Hong Kong Institute of Certified Public Accountants. Ms. Ng has over 20 years' management experience in corporate finance.

## Directors and Senior Management (Continued)

(As at 26 March 2026, date of this Annual Report)

### Independent Non-executive Directors

#### Mr. Yung, Wing Ki Samuel

*GBS, SBS, MH, JP, Independent Non-executive Director*

Aged 67, he is currently Independent Non-executive Director, chairman of the audit committee and a member of the remuneration committee, the nomination committee and the sustainability steering committee of the Company. Mr. Yung is currently an executive district director and honorable advisor of AIA International Limited as well as an independent non-executive director, a member of audit committee, remuneration committee and nomination committee of Man Yue Technology Holdings Limited (Stock Code: 894, listed on the Main Board of the Stock Exchange). He is also presently a member of the National Committee of the Chinese People's Political Consultative Conference, the vice chairman of the Committee for Economic Affairs of the National Committee of the Chinese People's Political Consultative Conference, the founding president of Hong Kong Professionals and Senior Executives Association and a member of University of Hong Kong (HKU) Council. Mr. Yung was elected the "Ten Outstanding Young Persons Award" in 1994. He was awarded the Medal of Honor in 2001, appointed as a Justice of the Peace in 2007 and awarded the Silver Bauhinia Star and the Gold Bauhinia Star in 2011 and 2024 by the Government of the Hong Kong Special Administrative Region ("HKSAR") respectively. Mr. Yung was also a standing member of the Chinese People's Political Consultative Conference of Jilin (中國人民政治協商會議吉林省委員會常務委員), standing committee member of All-China Youth Federation, member of Commission on Strategic Development of Hong Kong, member of Central Policy Unit, the chairman of Betting and Lotteries Commission of Home Affairs Bureau, chairman of Hong Kong United Youth Association, chairman of Top Outstanding Young Persons Association, board member of General Agents and Managers Association International and chairman of its International Committee, president of The Life Underwriters Association of Hong Kong, chairman of General Agents and Managers Association of Hong Kong, an independent non-executive director and a member of the audit committee of China Overseas Insurance Limited (a wholly-owned subsidiary of China State Construction International Holdings Limited (Stock Code: 3311, listed on the Main Board of the Stock Exchange)), a member cum chairperson of Finance Committee of the Board of Management of the Chinese Permanent Cemeteries, an honorable advisor of China South City Holdings Limited (Stock Code: 1668, listed on the Main Board of the Stock Exchange), a member of Court of the Hong Kong Metropolitan University, a member of Council of Hong Kong University of Science and Technology, the chairman of the Institutional Advancement and Outreach Committee (IAOC) of Hong Kong University of Science and Technology and the chairman of the Hong Kong Examinations and Assessment Authority. Mr. Yung was awarded an Executive Master degree in Business Administration from the Hong Kong University of Science and Technology and has attained certain professional qualifications, including Certified Financial Planner, Registered Financial Consultant, Fellow Chartered Financial Practitioner, Chartered Life Practitioner, Certified Manager of Financial Advisor and Chartered Insurance Agency Manager. He has over 43 years' experience in the insurance sector.

## Directors and Senior Management (Continued)

(As at 26 March 2026, date of this Annual Report)

### Mr. Lim, Wan Fung Bernard Vincent

*BBS, JP, PPHKIA, MHKIUD, Independent Non-executive Director*

Aged 68, he is currently Independent Non-executive Director, chairman of the sustainability steering committee and a member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. Lim currently is a principal of AD+RG Architecture Design and Research Group Ltd., a committee member of the Chinese General Chamber of Commerce and an adviser to the Guangdong Registered Architects Association (廣東省註冊建築師協會). Mr. Lim holds a Bachelor degree of Arts in Architectural Studies (1st Hons) and a Bachelor degree in Architecture (Distinction) from The University of Hong Kong and a Master degree of Science in Urban Planning from The University of Hong Kong. He is a Registered Architect (Hong Kong), a member of The Hong Kong Institute of Architects (HKIA), Authorized Person (List of Architects) (Hong Kong), a member of Royal Institute of British Architects, Asia Pacific Economic Cooperation (APEC) Architect, PRC Class 1 Registered Architect Qualification (中華人民共和國一級註冊建築師) and a member of Shenzhen Registered Architects Association (深圳市註冊建築師協會). He was conferred Professor-Level Senior Engineer (Guangdong Province) in 2025. Mr. Lim was appointed as a Justice of the Peace in 2008, conferred Bronze Bauhinia Star in 2018 by the Government of the HKSAR, and elected as Election Committee member in 2021. He was a National Committee member of the 12th Chinese People's Political Consultative Conference of the PRC (中國人民政治協商會議第十二屆全國委員會委員), committee member of the 3rd Chinese People's Political Consultative Conference of Chongqing City (中國人民政治協商會議重慶市第三屆委員會委員), an Adjunct Professor of the School of Architecture of The Chinese University of Hong Kong, the chairman of Advisory Board of Nan Lian Garden of Home Affairs Bureau, a president of The Hong Kong Institute of Architects, a president of The Hong Kong Institute of Urban Design, a member of Town Planning Board, a member of Antiquities Advisory Board of Development Bureau, a member of the Energy Advisory Committee of Environment Bureau and a member of the Advisory Committee on Education Development Fund of Education Bureau.

### Mr. Tsoi Wing Sing

*BBS, JP, Independent Non-executive Director*

Aged 63, he is currently Independent Non-executive Director, the chairman of the remuneration committee and a member of the audit committee, the nomination committee and the sustainability steering committee of the Company. Mr. Tsoi holds an Honorary Doctorate degree in Business Administration from California International University. He is currently a controlling shareholder, an executive director and the chairman of the board and the chairman of the nomination committee of Star Shine Holdings Group Limited (Stock Code: 1440, listed on the Main Board of the Stock Exchange), an independent non-executive director, the chairman of the nomination committee, a member of the audit committee and the remuneration and appraisal committee of Hisense Home Appliances Group Co., Ltd. (Stock Code: 921, listed on the Main Board of the Stock Exchange; Stock Code: 000921, listed on Shenzhen stock exchange) as well as a director of Calson Industrial International Company Limited and 常州啟辰投資有限公司, both engaged in property related businesses. Mr. Tsoi is also presently a member of the Election Committee of the HKSAR, a standing committee of the Hunan Provincial Committee of the Chinese People's Political Consultative Conference Hong Kong convener (中國人民政治協商會議湖南省委員會常委香港區召集人), a deputy vice-chairman of the Hong Kong Provincial Chinese People's Political Consultative Conference Member Association (港區省級政協委員聯誼會常務副會長), a school supervisor of TWGHs Tsoi Wing Sing Primary School, a founding deputy vice president of Hong Kong Poverty Alleviation Association Limited, a deputy chairman of Hong Kong Volunteers Federation, a deputy vice chairman of The Hong Kong Island Federation, also and an expert of Silk Road Planning Research Center. He was awarded the World Outstanding Chinese Award in 2009 by World Chinese Business Investment Foundation and the Bronze Bauhinia Star in 2020 by the Government of the HKSAR and appointed as a Justice of the Peace in 2025. Mr. Tsoi was the chairman of Tung Wah Group of Hospitals, a director of Calson Investment Limited and 常州啟發鞋業有限公司 as well as a supervisor of 莆田啟明鞋業有限公司.

## Directors and Senior Management (Continued)

(As at 26 March 2026, date of this Annual Report)

### Senior Management

#### Mr. Wang Zhigang

*Vice President*

Aged 52, he is currently Vice President of the Company and is responsible for the operation of the Group's property management business in Hong Kong and Macau and the Egypt project. He is also a director of certain subsidiaries of the Company. Mr. Wang holds a Bachelor degree in Materials Science from Tongji University, two professional certificates in Construction Engineering Management and Real Estate Management in Tongji University and a Master degree in Construction and Civil Engineering from Huazhong University of Science and Technology. He is a qualified Senior Engineer, a Chartered Member of the Chartered Institute of Housing and a member of the Hong Kong Institute of Housing. Mr. Wang joined the COLI group in August 1996 and served different positions in various subsidiaries of 中海物業管理有限公司 ("CO Property Management"). He was also the deputy general manager and then the general manager of 中海物業(商業物業)管理公司, a commercial properties branch of CO Property Management, the deputy general manager of CO Property Management and the assistant vice president of the Group and responsible for commercial, quality control, engineering, information technology management, business operation and specialized company business. Mr. Wang has approximately 30 years' experience in property management.

#### Mr. Li Zhenxi

*Vice President*

Aged 52, he is currently Vice President of the Company and is responsible for the matters business operations and information technology of the Group. Mr. Li holds a Bachelor degree in Industrial Automatic from Harbin University of Civil Engineering and Architecture and a Master degree in Project Management from Harbin Institute of Technology. He is a Professor-Level Senior Engineer, a Registered 1st Grade Constructor (Civil Engineering) and a Certified Property Manager. Mr. Li joined COLI group in July 1996 and served different positions in various subsidiaries of COLI group including the director and assistant general manager of 中海廣場置業有限公司, the general manager of West China region of CO Property Management, chairman and general manager of 海納萬商, the chairman of 興海物聯科技有限公司 and the deputy general manager of Wanda Business Management Centre. He has approximately 30 years' experience in operation of property management.



**Directors and Senior Management (Continued)**

(As at 26 March 2026, date of this Annual Report)

**Mr. Chen Renxin***Vice President*

Aged 45, he is currently Vice President of the Company and is responsible for the matters of the legal and compliance management of the Group. Mr. Chen holds a Bachelor degree in Journalism from Nanjing Normal University, a Master degree in Management from East China Normal University and a Doctorate degree in Management from University of Montpellier. He is a Chartered Builder, United Kingdom. In 2000, Mr. Chen joined Eighth Engineering Division of CSCEC. Subsequently, he joined COLI group in July 2017 and served various important positions in COLI and its subsidiaries. Mr. Chen has over 20 years' experience in corporate management and operation.

**Mr. Liu Hongxing***Vice President*

Aged 44, he is currently Vice President of the Company and is responsible for the matters of the value-added services and engineering management of the Group. He is also a director of certain subsidiaries of the Company. Mr. Liu holds a Master degree in Business Administration from Jinan University. He joined COLI group in December 2001 and served in different regional companies of CO Property Management. Mr. Liu served as the general manager of CO Property Management (Shenzhen), the assistant vice president and chief marketing officer of the Group. He has approximately over 20 years' experience in property management.

**Mr. Yu Hanjiang***Deputy Chief Financial Officer*

Aged 55, he is currently Deputy Chief Financial Officer of the Company and is responsible for the matters of the financial management of the Group. He is also a director of certain subsidiaries of the Company. Mr. Yu holds a professional in Economic Management from Nanjing Institute of Technology, School of Civil Engineering and Architecture (now merged into Nanjing Tech University). In 1991, he joined a subsidiary of Eighth Engineering Division of CSCEC. Subsequently, Mr. Yu joined COLI group in August 1999 and served as the chief financial officer of certain regional companies of COLI group. He has approximately 34 years' experience in financial management.



# REPORT OF DIRECTORS

The board (the "Board") of directors (the "Director(s)") of China Overseas Property Holdings Limited (the "Company") is pleased to present the annual report and the audited financial statements of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2025.

## Principal Activities

The Company is an investment holding company. The Group is principally engaged in the provision of (i) property management services; (ii) value-added services to non-residents and residents; and (iii) car parking space trading business.

## Segment Information

An analysis of the Group's revenue and contribution to results by principal activities and geographical area and operations for the year ended 31 December 2025 is set out in note 4 to the financial statements.

## Business Review

The business review of the Group including the information below are set out in the section headed "Management Discussion and Analysis" on pages 32 to 49 of this Annual Report:

- (a) A fair review of the Group's business;
- (b) A description of the principal risk management strategies of the Group;
- (c) An analysis using financial key performance indicators;
- (d) A discussion on:
  - (i) The Group's environmental policies and performance; and
  - (ii) The Group's compliance with the relevant laws and regulations that have a significant impact on the Group; and
- (e) An account of the Group's key relationships with its employees, customers and suppliers that have a significant impact on the Group and on which the Group's success depends.

## Results and Appropriations

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 126 and 127 of this Annual Report respectively.

An interim dividend of HK9.0 cents per share (2024: HK8.5 cents per share) and a special dividend of HK1.0 cent per share were paid to shareholders of the Company (the "Shareholders") in October 2025.



## Report of Directors (Continued)

The Board recommended the declaration of a final dividend of HK10.0 cents per share for the year ended 31 December 2025 (2024: HK9.5 cents per share) representing a total amount of approximately RMB289,186,000, subject to the approval of Shareholders at the forthcoming annual general meeting to be held on Wednesday, 17 June 2026 (the "2026 AGM"). The proposed final dividend will be paid to Shareholders on Wednesday, 15 July 2026 whose names appear on the Company's register of members on Monday, 9 June 2026.

### Closure of Register of Members

#### (a) Entitlement to attend and vote at the 2026 AGM

The register of members of the Company will be closed from Thursday, 11 June 2026 to Wednesday, 17 June 2026 (both days inclusive) for the purpose of determining the right to attend and vote at the 2026 AGM. During that period, no transfer of shares will be registered. In order to be entitled to attend and vote at the 2026 AGM, all share transfer document(s) accompanied with corresponding share certificate(s) must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 10 June 2026.

#### (b) Entitlement to the proposed final dividend

The register of members of the Company will also be closed from Thursday, 25 June 2026 to Monday, 29 June 2026 (both days inclusive) for the purpose of determining the Shareholders' entitlement to the proposed final dividend which is subject to the Shareholders' approval at the 2026 AGM. During that period, no transfer of shares will be registered. In order to be qualified for entitlement to the final dividend, all share transfer document(s) accompanied with the corresponding share certificate(s) must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 June 2026.

### Reserves

Movements in the reserves of the Group and of the Company during the year are set out in note 36 and note 46 to the financial statements.

### Distributable Reserves

Distributable reserves of the Company at 31 December 2025 were approximately RMB1,204.3 million (2024: approximately RMB343.3 million).

### Financial Summary

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on pages 232 to 234 of this Annual Report.

### Charitable Donations

Charitable donations made by the Group during the year amounted to approximately RMB3,206,000.

### Major Suppliers and Customers

During the year, the Group purchased less than 30% of its goods and services from its five largest suppliers and sold less than 30% of its goods and services to its five largest customers.

## Report of Directors (Continued)

### Shares Issued

Terms meaning and details of the shares issued for the year ended 31 December 2025 are set out in note 35 to the financial statements.

### Purchase, Sale or Redemption of the Listed Securities of the Company

The Company had not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year.

### Equity-linked Agreement

As at 31 December 2025, the Company has not entered into any equity-linked agreement.

### Directors

The Directors of the Company during the year and up to the date of this Annual Report are:

#### Chairman and Executive Director

Mr. Zhang Guiqing

#### Executive Directors

Mr. Xiao Junqiang (*Chief Executive Officer*)

Mr. Kam Yuk Fai (*Chief Financial Officer*)

Mr. Pang Jinying (*Vice President, resigned on 28 October 2025*)

#### Non-executive Directors

Mr. Guo Lei

Ms. Ng, Yat Wing Athena

#### Independent Non-executive Directors

Mr. Yung, Wing Ki Samuel

Mr. Lim, Wan Fung Bernard Vincent

Mr. Tsoi Wing Sing (*appointed on 1 February 2026*)

Mr. So, Gregory Kam Leung (*passed away on 13 December 2025*)

In accordance with article 83(3) of the Company's amended and restated articles of association (the "Article of Association"), Mr. Tsoi Wing Sing shall hold office until the 2026 AGM and shall be subject to re-election. Mr. Tsoi, is being eligible, will offer himself for re-election at the 2026 AGM.

In accordance with articles 84(1) and 84(2) of the Articles of Association, Mr. Zhang Guiqing, Mr. Xiao Junqiang and Mr. Lim, Wan Fung Bernard Vincent shall retire by rotation at the 2026 AGM. Mr. Zhang and Mr. Xiao, are being eligible, will offer themselves for re-election at the 2026 AGM. Mr. Lim has served on the Board as an Independent Non-executive Director over nine years, he will retire at the conclusion of the 2026 AGM in accordance with the requirement under Rule 3.13A of the Listing Rules. Mr. Lim confirmed that he has no disagreement with the Board and there is no other matter relating to his retirement that needs to be brought to the attention of the Shareholders.

## Report of Directors (Continued)

### Confirmation of Independence on Independent Non-executive Directors

The Company confirms that it has received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and still considers that all Independent Non-executive Directors are independent.

### Directors' Service Contracts

No Director proposed for re-election at the 2026 AGM has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

### Directors' Material Interest in Transactions, Arrangements and Contracts that are Significant in Relation to the Group's Business

There was no transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director or an entity connected with any Director has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### Contracts of Significance with Controlling Shareholder

Save as disclosed under the section headed "Connected Transactions and Continuing Connected Transactions", there was no contract of significance entered into between the Company, or any of its subsidiaries, and a controlling shareholder of the Company, or any of its subsidiaries, during the year.

### Directors' Interest in Competing Business

All Directors (excluding Independence Non-executive Directors) have confirmed that they did not have any interests in business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

### Remuneration of Directors and Senior Management

Information regarding Directors' remuneration and senior management's remuneration are set out in notes 9 and 42(d) to the financial statements and the section headed "Remuneration Committee" on pages 63 to 65 of the Corporate Governance Report.



## Report of Directors (Continued)

### Permitted Indemnity Provision

The Articles of Association provides that, amongst others, the Directors and other officers of the Company being acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any said persons. Such provision and the Directors and Officers Liability Insurance Policy maintained by the Company which provides insurance coverage for liabilities of the Directors and officers of the Company and its subsidiaries were in force during the year ended 31 December 2025 and remained in force as of the date of this Annual Report. The insurance coverage will be reviewed on an annual basis.

### Biographical Details of Directors and Senior Management

The biographical details of Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 84 to 89 of this Annual Report.

### Changes of Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules (except information disclosed in the 2025 interim report of the Company) are set out below:

Director	Detail of Change
Mr. Xiao Junqiang	Appointed as a deputy council member of Urban Update and Operation Committee of the China Civil Engineering Society on 17 November 2025
Ms. Ng, Yat Wing Athena	Appointed as the Chief Communications Officer of China Overseas Land & Investments Limited on 28 January 2026
Mr. Guo Lei	Became a fellow member of The Chartered Institute of Building on 16 March 2026
Mr. Lim, Wan Fung Bernard Vincent	Conferred Professor-Level Senior Engineer (Guangdong Province) on 25 June 2025

## Report of Directors (Continued)

### Directors' and Chief Executive's Interests in the Securities of the Company and its Associated Corporations

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company and their respective associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

#### Long Positions in Shares and Underlying Shares of the Associated Corporations

Name of Director	Name of Associated Corporation	Nature of Interest	Number of Ordinary Shares held	Approximate Percentage of Shares in Issue
Mr. Zhang Guiqing	China Overseas Land & Investments Limited ("COLI")	Beneficial owner	20,000	0.0002% <sup>1</sup>

Note:

- The percentage represents the number of shares interested divided by the number of total issued shares of COLI as at 31 December 2025 (i.e. 10,944,883,535 shares).

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company or their respective associates had held or deemed or taken to have held any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

#### Arrangements to Acquire Shares or Debentures

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Report of Directors (Continued)

### Substantial Shareholders' Interests in the Securities of the Company

As at 31 December 2025, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

#### Long Positions in Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares held	Approximate Percentage of Shares in Issue
Silver Lot Development Limited ("Silver Lot")	Beneficial owner	169,712,309	5.17% <sup>4</sup>
China Overseas Holdings Limited ("COHL")	Beneficial owner	1,841,328,751	56.07% <sup>4</sup>
	Interest of controlled corporation	169,712,309 <sup>1</sup>	5.17% <sup>4</sup>
China State Construction Engineering Corporation Limited ("CSCECL")	Interest of controlled corporations	2,011,041,060 <sup>2</sup>	61.24% <sup>4</sup>
China State Construction Engineering Corporation ("CSCEC")	Interest of controlled corporations	2,011,041,060 <sup>3</sup>	61.24% <sup>4</sup>

Notes:

- COHL holds 100% interest in Silver Lot and therefore, COHL is deemed to be interested in 169,712,309 Shares in which Silver Lot is interested under the SFO.
- CSCECL holds 100% interest in COHL and therefore, CSCECL is deemed to be interested in a total of 2,011,041,060 Shares in which COHL is or is taken to be interested under the SFO.
- CSCEC holds 57.70% interest in CSCECL and therefore, CSCEC is deemed to be interested in a total of 2,011,041,060 Shares in which CSCECL is taken to be interested under the SFO.
- The percentage represents the number of shares interested divided by the number of total issued shares of the Company as at 31 December 2025 (i.e. 3,283,960,460 shares).

Save as disclosed above, as at 31 December 2025, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, there was no other person who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## Report of Directors (Continued)

### Directors' Positions in Substantial Shareholders

As at the date of this Annual Report, save as disclosed below, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Mr. Zhang Guiqing	COHL	Director

### Connected Transactions and Continuing Connected Transactions

#### Definitions

In this section, the following expressions have the following meanings unless the context requires otherwise:

"Beijing Zhonghai"	北京中海物業管理有限公司 (Beijing Zhonghai Property Management Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"CCPM"	中建物業管理有限公司 (China Construction Property Management Co., Ltd.*), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of CSCAM
"China Overseas Haihui"	中海海惠物業服務有限公司 (China Overseas Haihui Property Services Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"China Overseas Hongyang"	中海宏洋物業管理有限公司 (China Overseas Hongyang Property Management Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"CODG"	中海企業發展集團有限公司 (China Overseas Development Group Co., Ltd*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of COLI
"CODG Group"	CODG and its subsidiaries from time to time
"COGO"	China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 81)
"COGO Group"	COGO and its subsidiaries from time to time

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### Definitions (Continued)

"COHL"	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, and the controlling shareholder of COLI, CSC and the Company
"COHL Group"	COHL and its subsidiaries (excluding subsidiary(ies) or associated company(ies) listed on any stock exchange) from time to time
"COLI"	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 688)
"COLI Group"	COLI and its subsidiaries from time to time
"Company"	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2669)
"COPML"	中海物業管理有限公司 (China Overseas Property Management Limited*), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company
"COPML Group"	COPML and its subsidiaries from time to time
"CSC"	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311)
"CSC Group"	CSC and its subsidiaries from time to time
"CSCAM"	中建資產管理有限公司 (China Construction Asset Management Co., Ltd.*), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of CSCEC



**Report of Directors (Continued)****Connected Transactions and Continuing Connected Transactions (Continued)****Definitions (Continued)**

"CSCEC"	China State Construction Engineering Corporation, a state-owned corporation organized and existing under the laws of the PRC, being the ultimate holding company of CSCECL, COHL, COLI, CSC and the Company
"CSCEC Group"	CSCEC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange but including CSCECL Group and COHL Group) from time to time
"CSCECL"	China State Construction Engineering Corporation Limited, a company incorporated in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), a controlling shareholder of COHL, COLI, CSC and the Company
"CSCECL Group"	CSCECL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange but including COHL Group) from time to time
"Group"	the Company and its subsidiaries from time to time
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholders"	the Shareholders other than CSCEC and its associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macao Special Administrative Region of the PRC
"PRC"	the People's Republic of China, which for the purpose of this Annual Report excludes Hong Kong, Macau and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### Definitions (Continued)

"Shenzhen Lingchao"	深圳領潮供應鏈管理有限公司 (Shenzhen Lingchao Supply Chain Management Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of COLI
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Xinghai IoT"	深圳市興海物聯科技有限公司 (Shenzhen Xinghai IoT Technology Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"%"	per cent.

\* For identification purpose only

Details of connected transactions and continuing connected transactions not exempted under Chapter 14A of the Listing Rules as recorded during the year ended 31 December 2025 are disclosed below, with further disclosure under the subsection headed "Aggregation of Continuing Connected Transactions" as appropriate.

## 1. Connected Transactions

### 1.1 Provision of Guarantee to Connected Person (with COLI)

To reduce the administrative expenses associated with each issuance of performance bond and to increase the efficiency of use of capital, the Group has negotiated for and CODG Group has agreed that the requirements for tender deposits, performance bonds or security deposits and quality guarantees associated with the provision of the smart setup services (such as application of weak current technology in properties, smart construction sites and smart home, etc. and ancillary services) (the "Smart Setup Services") by Xinghai IoT as contractor to CODG Group as developer in respect of the property development projects or properties (including residential communities, commercial properties and other properties) in the PRC owned by CODG Group may be substituted by the Company providing the corporate guarantee to CODG Group. As such, the Company had issued two irrevocable and unconditional letters of guarantee for an aggregate amount of RMB50 million to CODG for the obligations of Xinghai IoT under its tender documents and/or contracts with CODG Group for the provision of the Smart Setup Services in 2022.

As both of the letters of guarantee will expire on 31 December 2025, the Group has further negotiated for and CODG Group has agreed that the aforesaid requirements for tender deposits, performance bonds or security deposits and quality guarantees associated with the provision of the Smart Setup Services to CODG Group may be substituted by the Company providing the corporate guarantee to CODG Group. As such, the Company has issued an irrevocable and unconditional letter of guarantee in the amount of RMB20 million to CODG (the "CODG Corporate Guarantee") on 9 December 2025. The terms of guarantee is from 1 January 2026 to 31 December 2028 (both days inclusive).

**Report of Directors (Continued)****Connected Transactions and Continuing Connected Transactions (Continued)****1. Connected Transactions (Continued)****1.1 Provision of Guarantee to Connected Person (with COLI) (Continued)**

CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of each of the Company and COLI respectively. Therefore, CODG, being an indirect wholly-owned subsidiary of COLI is a connected person of the Company and the provision of the CODG Corporate Guarantee constitute connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the provision of the CODG Corporate Guarantee exceeds 0.1% but is less than 5%, the provision of the CODG Corporate Guarantee is subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the provisions of the CODG Corporate Guarantee have been disclosed in the Company's announcement dated 9 December 2025.

**1.2 Capital Increase Agreement (with CSCEC)**

In order to provide a good opportunity for the Group to expand its business presence and operating scales in Zhangjiakou, and to enable the Group to strengthen its position and competitiveness as one of the leading property management companies in Mainland China, on 24 December 2025, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui entered into a capital increase agreement (the "Capital Increase Agreement") with CSCAM and CCPM, pursuant to which Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui shall contribute approximately RMB13.9 million, RMB13.9 million and RMB11.2 million, i.e. RMB39.0 million in aggregate, (the "Consideration") to CCPM respectively. Of the Consideration, approximately RMB37.8 million will be used to increase the registered capital of CCPM and approximately RMB1.2 million will be used to increase the capital reserve of CCPM.

Upon completion of the capital increase, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui will respectively hold 25%, 25% and 20% (i.e. 70% in aggregate) of the enlarged equity interests in CCPM.

CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of the Company. Therefore, CSCAM, being a direct wholly-owned subsidiary of CSCEC, is a connected person of the Company and the entering into of the Capital Increase Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the entering into of the Capital Increase Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Capital Increase Agreement have been disclosed in the Company's announcement dated 24 December 2025.

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions

##### 2.1 Continuing Connected Transactions with CSCEC

Since CSCEC is the ultimate holding company of the Company, CSCEC is a connected person of the Company.

(i) *CSCEC Services Agreement*

On 28 April 2023, the Company and CSCEC entered into a framework agreement (the "CSCEC Services Agreement") whereby any member of the Group may provide the property management services and value-added services (including engineering, pre-delivery, move-in assistance, delivery inspection, engineering services, quality monitoring and consulting services, as well as gardening, interior fine finishing and vetting of building plans etc.) (the "Services") to the properties (including residential communities, commercial properties and other projects) in the PRC, Hong Kong, Macau and other locations (the "Properties") owned by CSCEC Group (the "CSCEC Services Transactions") for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the year ended 31 December 2025 HK\$	For the period from 1 January 2026 to 30 June 2026 HK\$
176 million	418 million	598 million	445 million

As the applicable percentage ratios in respect of the aforesaid caps under the CSCEC Services Agreement on their own exceed 5% on an annual basis, the CSCEC Services Transactions contemplated under the CSCEC Services Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules respectively. The CSCEC Services Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the CSCEC Services Agreement have been disclosed in the Company's announcement dated 28 April 2023 and circular dated 30 May 2023.

For the year ended 31 December 2025, the amount paid to the Group by CSCEC Group for the provision of the Services under the CSCEC Services Agreement was approximately HK\$195.2 million (equivalent to approximately RMB179.2 million), that is below the cap of HK\$598 million under the CSCEC Services Agreement for the year.

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.1 Continuing Connected Transactions with CSCEC (Continued)

###### (ii) CSCEC Lease Framework Agreement

On 1 November 2022, the Company and CSCEC entered into a framework agreement (the “CSCEC Lease Framework Agreement”) whereby any member of CSCEC Group may lease premises from any member of the Group (the “CSCEC Leasing Transactions”) in accordance with the terms of the CSCEC Lease Framework Agreement, subject to the tenancy agreement recording other details terms and conditions in relation to each particular premises leased and shall be on normal commercial terms and terms no less favourable to the Group than those offered to independent third parties for a term of three years commencing from 1 November 2022 and ending on 31 October 2025 (both days inclusive) subject to the caps as listed below:

For the period from 1 November 2022 to 31 December 2022 HK\$	For the year ended 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the period from 1 January 2025 to 31 October 2025 HK\$
6 million	24 million	36 million	42 million

As the applicable percentage ratios in respect of the aforesaid caps under the CSCEC Lease Framework Agreement exceeds 0.1% but are less than 5% on an annual basis, the CSCEC Leasing Transactions contemplated under the CSCEC Lease Framework Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Details of the CSCEC Lease Framework Agreement have been disclosed in the Company’s announcement dated 1 November 2022.

For the period ended 31 October 2025, the amount paid/committed to the Group by CSCEC Group for the lease of premises was approximately HK\$4.9 million (equivalent to approximately RMB4.5 million), that is below the cap of HK\$42 million under the CSCEC Lease Framework Agreement for the period.

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.2 Continuing Connected Transactions with COLI Group

Since COLI is a non-wholly-owned subsidiary of COHL, the controlling shareholder of the Company, members of COLI Group and the associates of COLI and their respective subsidiaries were regarded as connected persons of the Company.

(i) *Previous COLI Car Parking Spaces Agreement and COLI Car Parking Spaces Agreement*

On 5 September 2022, the Company and COLI entered into a framework agreement (the "Previous COLI Car Parking Spaces Agreement") whereby the Group might from time to time enter into transactions with COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the acquisition of rights-of-use of car parking spaces (including the right to occupy, assign or rent out, until the land use right(s) of the relevant project(s) at which the car parking spaces are located expire) by the Group as its inventory (the "COLI Car Parking Spaces Transactions"), such car parking spaces being car parking spaces of developments or properties built, developed or owned by COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) and managed by the Group as property manager for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive), subject to the caps as listed below:

<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2024</b>	<b>For the year ended 31 December 2025</b>
<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
600 million	600 million	600 million

As the Previous COLI Car Parking Spaces Agreement was due to expire on 31 December 2025, on 28 November 2025, the Company and COLI entered into a new framework agreement (the "COLI Car Parking Spaces Agreement") in respect of the COLI Car Parking Spaces Transactions for a term of three years commencing from 1 January 2026 and ending on 31 December 2028 (both dates inclusive) subject to the caps as listed below:

<b>For the year ending 31 December 2026</b>	<b>For the year ending 31 December 2027</b>	<b>For the year ending 31 December 2028</b>
<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
200 million	200 million	200 million

**Report of Directors (Continued)****Connected Transactions and Continuing Connected Transactions (Continued)****2. Continuing Connected Transactions (Continued)****2.2 Continuing Connected Transactions with COLI Group (Continued)***(i) Previous COLI Car Parking Spaces Agreement and COLI Car Parking Spaces Agreement (Continued)*

As the applicable percentage ratios in respect of the aforesaid caps under the Previous COLI Car Parking Spaces Agreement on their own exceed 5% on an annual basis, the COLI Car Parking Spaces Transactions contemplated under the Previous COLI Car Parking Spaces Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the aforesaid caps under the COLI Car Parking Spaces Agreement on their own exceeds 0.1% but are less than 5% on an annual basis, the entering into of the COLI Car Parking Spaces Agreement and the COLI Car Parking Spaces Transactions contemplated under the COLI Car Parking Spaces Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Previous COLI Car Parking Spaces Agreement and the COLI Car Parking Spaces Agreement are also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the Previous COLI Car Parking Spaces Agreement have been disclosed in the Company's announcement dated 5 September 2022 and circular dated 10 November 2022 and details of the COLI Car Parking Spaces Agreement have been disclosed in the Company's announcement dated 28 November 2025.

For the year ended 31 December 2025, the amount paid/committed to COLI Group by the Group for the acquisition of rights-of-use of the car parking spaces was approximately HK\$19.1 million (equivalent to approximately RMB17.6 million), that is below the cap of HK\$600 million under the Previous COLI Car Parking Spaces Agreement for the year.



## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.2 Continuing Connected Transactions with COLI Group (Continued)

(ii) *Previous Material Procurement and Supply Chain Management Services Agreement and Material Procurement and Supply Chain Management Services Agreement*

On 29 June 2022, COPML and Shenzhen Lingchao entered into a framework agreement (the "Previous Material Procurement and Supply Chain Management Services Agreement") whereby Shenzhen Lingchao agreed to provide the material procurement and supply chain management services (including making available the e-commerce system, be established and operated by itself, for COPML Group to source and purchase goods and materials necessary for the property projects it is currently servicing, liaising and coordinating with the relevant suppliers and procuring that necessary goods and materials be produced, delivered to COPML Group, maintained and repaired if damaged) to COPML Group from time to time (the "Material Procurement and Supply Chain Management Services Transactions") for a term of three years commencing from 1 July 2022 and ending on 30 June 2025 (both days inclusive), subject to the caps as listed below:

For the period from 1 July 2022 to 31 December 2022 HK\$	For the year ended 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the period from 1 January 2025 to 30 June 2025 HK\$
12.5 million	25 million	25 million	12.5 million

As the Previous Material Procurement and Supply Chain Management Services Agreement was due to expire on 30 June 2025 and COPML Group intends to continue to engage Shenzhen Lingchao to provide the Material Procurement and Supply Chain Management Services from time to time. On 22 May 2025, COPML and Shenzhen Lingchao entered into a new framework agreement (the "Material Procurement and Supply Chain Management Services Agreement") to renew the transactions under the Previous Material Procurement and Supply Chain Management Services Agreement for a term of three years commencing from 1 July 2025 and ending on 30 June 2028 (both dates inclusive) subject to the caps as listed below:

For the period from 1 July 2025 to 31 December 2025 RMB	For the year ending 31 December 2026 RMB	For the year ending 31 December 2027 RMB	For the period from 1 January 2028 to 30 June 2028 RMB
30 million	65 million	70 million	35 million

As the applicable percentage ratios in respect of the aforesaid caps under (i) the Previous Material Procurement and Supply Chain Management Services Agreement and (ii) the Material Procurement and Supply Chain Management Services Agreement exceeds 0.1% but are less than 5% on an annual basis, the Material Procurement and Supply Chain Management Services Transactions contemplated under (i) the Previous Material Procurement and Supply Chain Management Services Agreement and (ii) the Material Procurement and Supply Chain Management Services Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.2 Continuing Connected Transactions with COLI Group (Continued)

(ii) *Previous Material Procurement and Supply Chain Management Services Agreement and Material Procurement and Supply Chain Management Services Agreement (Continued)*

Details of the Previous Material Procurement and Supply Chain Management Services Agreement have been disclosed in the Company's announcement dated 29 June 2022 and details of the Material Procurement and Supply Chain Management Services Agreement have been disclosed in the Company's announcement dated 22 May 2025 and the supplemental announcement dated 29 May 2025 respectively.

For the year ended 31 December 2025, the amount paid/committed to Shenzhen Lingchao by COPML Group in respect of the goods and materials procured was as follows respectively:

- (i) for the first half of 2025, approximately HK\$0.4 million (equivalent to approximately RMB0.4 million) that is below the cap of HK\$12.5 million under the Previous Material Procurement and Supply Chain Management Services Agreement for the period; and
- (ii) for the latter half of 2025, approximately RMB0.2 million that is below the cap of RMB30 million under the Material Procurement and Supply Chain Management Services Agreement for the period.

(iii) *COLI Services Agreement*

On 28 April 2023, the Company and COLI entered into a framework agreement (the "COLI Services Agreement") whereby any member of the Group may provide the Services to any member of COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) in respect of the property development projects or the Properties owned or held by them (the "COLI Services Transactions") for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps as listed below:

<b>For the period from 1 July 2023 to 31 December 2023 HK\$</b>	<b>For the year ended 31 December 2024 HK\$</b>	<b>For the year ended 31 December 2025 HK\$</b>	<b>For the period from 1 January 2026 to 30 June 2026 HK\$</b>
1,229 million	3,078 million	4,005 million	2,719 million

As the applicable percentage ratios in respect of the aforesaid caps under the COLI Services Agreement on their own exceed 5% on an annual basis, the COLI Services Transactions contemplated under the COLI Services Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The COLI Services Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.2 Continuing Connected Transactions with COLI Group (Continued)

###### (iii) COLI Services Agreement (Continued)

Details of the COLI Services Agreement have been disclosed in the Company's announcement dated 28 April 2023 and circular dated 30 May 2023.

For the year ended 31 December 2025, the amount paid to the Group by COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the provision of the Services under the COLI Services Agreement was approximately HK\$1,224.9 million (equivalent to approximately RMB1,124.4 million), that is below the cap of HK\$4,005 million under the COLI Services Agreement for the year.

###### (iv) COLI Leasing Agreement

On 28 April 2023, the Company and COLI entered into a framework agreement (the "COLI Leasing Agreement") whereby any member of the Group may lease premises from any member of COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) (the "COLI Leasing Transactions") in accordance with the terms of the COLI Leasing Agreement, subject to the tenancy agreement recording other details terms and conditions in relation to each particular premises leased and shall be on normal commercial terms and terms no more favourable than those offered to independent third parties for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps (being the maximum aggregate amounts payable by the Group to COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) as determined with reference to the maximum aggregate right-of-use asset recognized by the Group in relation to its lease arrangements with COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the relevant years/periods under the COLI Leasing Agreement) as listed below.

On 27 December 2023, the Company and COLI entered into a supplemental agreement (the "Supplemental Agreement") to revise the annual caps of the COLI Leasing Agreement for the period from 1 January 2024 to 30 June 2026. The caps of the COLI Leasing Agreement and the COLI Leasing Agreement as amended by the Supplemental Agreement (the "Revised COLI Leasing Agreement") are listed below:

	For the period from 1 July 2023 to 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the year ended 31 December 2025 HK\$	For the period from 1 January 2026 to 30 June 2026 HK\$
Original	26 million	33 million	41 million	26 million
Revised	N/A	65 million	45 million	30 million

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.2 Continuing Connected Transactions with COLI Group (Continued)

###### (iv) COLI Leasing Agreement (Continued)

As the applicable percentage ratios in respect of the aforesaid caps under the (i) COLI Leasing Agreement and (ii) the Revised COLI Leasing Agreement on their own exceed 0.1% but are less than 5% on an annual basis, the COLI Leasing Transactions contemplated under (i) the COLI Leasing Agreement and (ii) the Revised COLI Leasing Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules respectively. The COLI Leasing Agreement and the Revised COLI Leasing Agreement are also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules respectively.

Details of the COLI Leasing Agreement and the Revised COLI Leasing Agreement have been disclosed in the Company's announcement dated 28 April 2023 and 27 December 2023 respectively.

For the year ended 31 December 2025, the amount paid/committed to COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) by the Group for the lease of premises under the Revised COLI Leasing Agreement was approximately HK\$16.9 million (equivalent to approximately RMB15.5 million), that is below the cap of HK\$45 million under the Revised COLI Leasing Agreement for the year.

###### (v) COLI Property Management Utilities Charges Agreement

On 28 April 2023, the Company and COLI entered into a framework agreement (the "COLI Property Management Utilities Charges Agreement") whereby COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) will centralise the payment of utilities charges for properties owned by them and managed by the Group as the property management company. The Group shall, on behalf of tenants in such properties, consolidate and make payment of utilities charges incurred in individual units of the tenants to the landlords, and the landlords shall in turn, make payment of utilities charges incurred in the overall properties to the individual third party utilities service providers (the "COLI Utilities Charges Transactions") for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive), subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the year ended 31 December 2025 HK\$	For the period from 1 January 2026 to 30 June 2026 HK\$
98 million	194 million	200 million	121 million

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.2 Continuing Connected Transactions with COLI Group (Continued)

(v) *COLI Property Management Utilities Charges Agreement (Continued)*

As the applicable percentage ratios in respect of the aforesaid caps under the COLI Property Management Utilities Charges Agreement exceeds 0.1% but are less than 5% on an annual basis, the COLI Utilities Charges Transactions contemplated under the COLI Property Management Utilities Charges Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Details of the COLI Property Management Utilities Charges Agreement have been disclosed in the Company's announcement dated 28 April 2023.

For the year ended 31 December 2025, the amount paid to COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) by the Group in respect of the utilities charge under the COLI Property Management Utilities Charges Agreement was approximately HK\$168.0 million (equivalent to approximately RMB154.3 million), that is below the cap of HK\$200 million under the COLI Property Management Utilities Charges Agreement for the year.

(vi) *Decoration Supplies Sales Agency Framework Agreement*

On 29 June 2022, COPML and Shenzhen Lingchao entered into a framework agreement (the "Decoration Supplies Sales Agency Framework Agreement") whereby Shenzhen Lingchao (as supply chain management services provider to PRC property developers and supplier of decoration product sets for different development projects in the PRC) agreed to appoint member(s) of COPML Group as its sales agent(s) from time to time to provide the sales agency services for the sale of the specific decoration product sets to individual purchasers of properties in the PRC development projects of PRC property developers for the purpose of fine decoration and furnishing (the "Sales Agency Services Transactions") for a term of three years commencing from 1 July 2022 and ending on 30 June 2025 (both dates inclusive) subject to the caps as listed below:

For the period from 1 July 2022 to 31 December 2022 HK\$	For the year ended 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the period from 1 January 2025 to 30 June 2025 HK\$
55 million	86 million	94 million	55 million

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.2 Continuing Connected Transactions with COLI Group (Continued)

###### (vi) Decoration Supplies Sales Agency Framework Agreement (Continued)

As the applicable percentage ratios in respect of the aforesaid caps under the Decoration Supplies Sales Agency Framework Agreement exceeds 0.1% but are less than 5% on an annual basis, the Sales Agency Services Transactions contemplated under the Decoration Supplies Sales Agency Framework Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Details of the Decoration Supplies Sales Agency Framework Agreement have been disclosed in the Company's announcement dated 29 June 2022.

For the period from 1 January 2025 to 30 June 2025, the amount paid/committed to COPML Group by Shenzhen Lingchao for the provision of the sales agency services under the Decoration Supplies Sales Agency Framework Agreement was approximately HK\$0.07 million (equivalent to approximately RMB0.06 million), that is below the cap of HK\$55 million under the Decoration Supplies Sales Agency Framework Agreement for the period.

##### 2.3 Continuing Connected Transactions with CSC Group

Since CSC is a non-wholly-owned subsidiary of COHL, the controlling shareholder of the Company, members of CSC Group and the associates of CSC and their respective subsidiaries were regarded as connected persons of the Company.

###### (i) CSC Services Agreement

On 28 April 2023, the Company and CSC entered into a framework agreement (the "CSC Services Agreement") whereby any member of the Group may provide the Services to CSC Group, the associates of CSC and their respective subsidiaries (if any) in respect of the Properties owned by them and their work site(s) in the PRC, Hong Kong and Macau (the "CSC Services Transactions") for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the year ended 31 December 2025 HK\$	For the period from 1 January 2026 to 30 June 2026 HK\$
133 million	308 million	493 million	299 million

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.3 Continuing Connected Transactions with CSC Group (Continued)

###### (i) CSC Services Agreement (Continued)

As the applicable percentage ratios in respect of the aforesaid caps under the CSC Services Agreement on their own exceed 5% on an annual basis, the CSC Services Transactions contemplated under the CSC Services Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The CSC Services Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the CSC Services Agreement have been disclosed in the Company's announcement dated 28 April 2023 and circular dated 30 May 2023.

For the year ended 31 December 2025, the amount paid to the Group by CSC Group, the associates of CSC and their respective subsidiaries (if any) for the provision of the Services under the CSC Services Agreement was approximately HK\$144.9 million (equivalent to approximately RMB133.0 million), that is below the cap of HK\$493 million under the CSC Services Agreement for the year.

###### (ii) CSC Leasing Agreement

On 28 April 2023, the Company and CSC entered into a framework agreement (the "CSC Leasing Agreement") whereby any member of the Group may lease premises from CSC Group, the associates of CSC and their subsidiaries (if any) (the "CSC Leasing Transactions") in accordance with the terms of the CSC Leasing Agreement, subject to the tenancy agreement recording other details terms and conditions in relation to each particular premises leased and shall be on normal commercial terms and terms no more favourable than those offered to independent third parties for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive), subject to the caps (being the maximum aggregate amounts payable by the Group to CSC Group, the associates of CSC and their subsidiaries (if any) as determined with reference to the maximum aggregate right-of-use asset recognized by the Group in relation to its lease arrangement with CSC Group, the associates of CSC and their subsidiaries (if any) for the relevant years/periods under the CSC Leasing Agreement) as listed below:

For the period from 1 July 2023 to 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the year ended 31 December 2025 HK\$	For the period from 1 January 2026 to 30 June 2026 HK\$
21 million	22 million	27 million	20 million

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.3 Continuing Connected Transactions with CSC Group (Continued)

###### (ii) CSC Leasing Agreement (Continued)

As the applicable percentage ratios in respect of the aforesaid caps under the CSC Leasing Agreement exceed 0.1% but are less than 5% on an annual basis, the CSC Leasing Transactions contemplated under the CSC Leasing Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The CSC Leasing Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the CSC Leasing Agreement have been disclosed in the Company's announcement dated 28 April 2023.

For the year ended 31 December 2025, the amount paid/committed to CSC Group, the associates of CSC and their subsidiaries (if any) by the Group for the lease of premises under the CSC Leasing Agreement was approximately HK\$4.7 million (equivalent to approximately RMB4.3 million), that is below the cap of HK\$27 million under the CSC Leasing Agreement for the year.

##### 2.4 Continuing Connected Transactions with COGO Group

Since COGO is an associate of COLI and COLI is in turn a non-wholly-owned subsidiary of COHL, the controlling shareholder of the Company, members of COGO Group were regarded as connected persons of the Company.

###### (i) Previous COGO Car Parking Spaces Agreement and COGO Car Parking Spaces Agreement

On 5 September 2022, the Company and COGO entered into a framework agreement (the "Previous COGO Car Parking Spaces Agreement") whereby the Group might from time to time enter into transactions with COGO Group for the acquisition of rights-of-use of car parking spaces (including the right to occupy, assign or rent out, until the land use right(s) of the relevant project(s) at which the car parking spaces are located expire) by the Group as its inventory (the "COGO Car Parking Spaces Transactions"), such car parking spaces being car parking spaces of developments or properties built, developed or owned by COGO Group and managed by the Group as property manager for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive), subject to the caps as listed below:

For the year ended 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the year ended 31 December 2025 HK\$
300 million	300 million	300 million

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.4 Continuing Connected Transactions with COGO Group (Continued)

- (i) *Previous COGO Car Parking Spaces Agreement and COGO Car Parking Spaces Agreement (Continued)*

As the Previous COGO Car Parking Spaces Agreement was due to expire on 31 December 2025, on 28 November 2025, the Company and COGO entered into a new framework agreement (the "COGO Car Parking Spaces Agreement") in respect of the COGO Car Parking Spaces Transactions for a term of three years commencing from 1 January 2026 and ending on 31 December 2028 (both dates inclusive) subject to the caps as listed below:

For the year ending 31 December 2026 RMB	For the year ending 31 December 2027 RMB	For the year ending 31 December 2028 RMB
100 million	100 million	100 million

As the applicable percentage ratios in respect of the aforesaid caps under the Previous COGO Car Parking Spaces Agreement on their own exceed 5% on an annual basis, the COGO Car Parking Spaces Transactions contemplated under the Previous COGO Car Parking Spaces Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the aforesaid caps under the COGO Car Parking Spaces Agreement on their own exceeds 0.1% but are less than 5% on an annual basis, the entering into of the COGO Car Parking Spaces Agreement and the COGO Car Parking Spaces Transactions contemplated under the COGO Car Parking Spaces Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Previous COGO Car Parking Spaces Agreement and the COGO Car Parking Spaces Agreement are also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the Previous COGO Car Parking Spaces Agreement have been disclosed in the Company's announcement dated 5 September 2022 and circular dated 10 November 2022 and details of the COGO Car Parking Spaces Agreement have been disclosed in the Company's announcement dated 28 November 2025.

No transaction under the Previous Car Parking Spaces Agreement has been entered into by the Group and COGO Group for the year ended 31 December 2025.

## Report of Directors (Continued)

### Connected Transactions and Continuing Connected Transactions (Continued)

#### 2. Continuing Connected Transactions (Continued)

##### 2.4 Continuing Connected Transactions with COGO Group (Continued)

###### (ii) COGO Services Agreement

On 28 April 2023, the Company and COGO entered into a framework agreement (the “COGO Services Agreement”) whereby any member of the Group may provide the Services to COGO Group in respect of the property development projects or the Properties owned or held by COGO Group (the “COGO Services Transactions”) for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK\$	For the year ended 31 December 2024 HK\$	For the year ended 31 December 2025 HK\$	For the period from 1 January 2026 to 30 June 2026 HK\$
230 million	460 million	470 million	250 million

As the applicable percentage ratios in respect of the aforesaid caps under the COGO Services Agreement on their own exceed 5% on an annual basis, the COGO Services Transactions contemplated under the COGO Services Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The COGO Services Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the COGO Services Agreement have been disclosed in the Company's announcement dated 28 April 2023 and circular dated 30 May 2023.

For the year ended 31 December 2025, the amount paid to the Group by COGO Group for the provision of the Services under the COGO Services Agreement was, approximately HK\$223.7 million (equivalent to approximately RMB205.4 million), that is below the cap of HK\$470 million under the COGO Services Agreement for the year.

## Report of Directors (Continued)

### Aggregation of Continuing Connected Transactions

#### 1. Aggregation of leasing transactions

The Directors are of the view that (i) the COLI Leasing Agreement; and (ii) the CSC Leasing Agreement (collectively, the "Leasing Agreements") are entered into by the Group with parties who are connected with each others, and therefore each of the Leasing Agreements should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the applicable percentage ratios in respect of the caps of each of the Leasing Agreements, in aggregate, exceed 0.1% but less than 5% on an annual basis, such continuing connected transactions are/have been subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

For the year ended 31 December 2025, the transaction amounts under the Leasing Agreements were, in aggregate, approximately HK\$21.6 million (equivalent to approximately RMB19.8 million).

#### 2. Aggregation of property management and related transactions

The Directors are of the view that (i) the CSCEC Services Agreement; (ii) the COLI Services Agreement; (iii) the CSC Services Agreement; and (iv) the COGO Services Agreement (collectively, the "Services Agreements") are entered into by the Group with parties who are connected with each others, and therefore each of the Services Agreements should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the applicable percentage ratios in respect of the caps of each of the Services Agreements, in aggregate, exceed 5% on an annual basis, such continuing connected transactions are/have been subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the continuing connected transactions under the Services Agreements, Independent Shareholders have duly approved the respective agreements and the transactions contemplated thereunder at the extraordinary general meeting held on 20 June 2023.

For the year ended 31 December 2025, the transaction amounts under the Services Agreements were, in aggregate, approximately HK\$1,788.7 million (equivalent to approximately RMB1,642.0 million).



**Report of Directors (Continued)****Aggregation of Continuing Connected Transactions (Continued)****3. Aggregation of car parking spaces transactions**

The Directors are of the view that

- (A) the Previous COLI Car Parking Spaces Agreement and the Previous COGO Car Parking Spaces Agreement (collectively, the “Previous Car Parking Spaces Agreements”) are entered into by the Group with parties who are connected with each others, and therefore each of the Previous Car Parking Spaces Agreements should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the applicable percentage ratios in respect of the caps of each of the Previous Car Parking Spaces Agreements, in aggregate, exceed 5% on an annual basis, such continuing connected transactions are/have been subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.
- (B) the COLI Car Parking Spaces Agreement and the COGO Car Parking Spaces Agreement (collectively, the “Car Parking Spaces Agreements”) are entered into by the Group with parties who are connected with each others, and therefore each of the Car Parking Spaces Agreements should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the applicable percentage ratios in respect of the caps of each of the Car Parking Spaces Agreements, in aggregate, exceed 0.1% but less than 5% on an annual basis, such continuing connected transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

In respect of the continuing connected transactions under the Previous Car Parking Spaces Agreements, Independent Shareholders have duly approved the respective agreements and the transactions contemplated thereunder at the extraordinary general meeting held on 3 November 2022.

For the year ended 31 December 2025, the transaction amounts under the Previous Car Parking Spaces Agreements were, in aggregate, approximately HK\$19.1 million (equivalent to approximately RMB17.6 million).



## Report of Directors (Continued)

### Review and Approval

Pursuant to Rule 14A.55 of the Listing Rules, the above continuing connected transactions have been reviewed by the Independent Non-executive Directors of the Company, who confirmed that these continuing connected transactions were entered into:

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

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

The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 97 to 117 of this Annual Report as below:

- (1) nothing has come to his attention that causes him to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to his attention that causes him to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (3) nothing has come to his attention that causes him to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- (4) with respect to the aggregate amount of the continuing connected transactions, nothing has come to his attention that causes him to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

The continuing connected transactions disclosed in this section also constitute related party transactions under the HKFRS Accounting Standards. A summary of related party transactions (the "Transactions") made during the year was disclosed in the note 42 to the financial statements. The Transactions also constitute connected transaction or continuing connected transactions as defined in the Chapter 14A of the Listing Rules.

The Board confirms that the Company has complied with the requirements in Chapter 14A of the Listing Rules in relation to the aforesaid connected transactions and continuing connected transactions.

## Report of Directors (Continued)

### Remuneration Policy and Retirement Benefit Scheme

The remuneration policy for the employees of the Group is approved by the Remuneration Committee. The remuneration of employees is based on their merit, qualifications and competence.

The Board has approved and adopted a director remuneration policy (the “Director Remuneration Policy”). Pursuant to the Director Remuneration Policy, the remuneration packages of the executive Directors shall comprise fixed and variable components linking to the Group’s operating results, individual performance and comparable market statistics. Non-executive Directors (including Independent Non-executive Directors) shall receive fixed remuneration/fee to be set at an appropriate level to attract and retain first-class non-executive talent by reference to the relevant time commitment required and the size and complexity of the Group and benchmarked against a peer group.

The Group has joined a mandatory provident fund scheme (the “MPF Scheme”) for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The employees of the Company’s subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. No forfeited contribution under this scheme is available to reduce the contribution payable in future years.

### Management Contracts

There is no contracts relating to the management and/or administration of the whole or any substantial part of the business of the Company was entered into or subsisted during the year.

### Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Board, the Company has maintained the prescribed amount of public float during the year and up to the date of this Annual Report as required under the Listing Rules.

### Pre-Emptive Rights

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

### Tax Relief and Exemption

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

### Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the section headed “Corporate Governance Report” on pages 50 to 83 of this Annual Report.



## Report of Directors (Continued)

### Environmental Policy and Performance

Details of the Company's environmental policy and performance are set out in the Company's Sustainability Report 2025, which is published on the Company's website and the Stock Exchange's website on the same publication date of this Annual Report.

### Compliance with Relevant Laws and Regulation

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material aspects.

### Auditor

Ernst & Young was appointed as the auditor of the Company during the past three years.

The consolidated financial statements for the year ended 31 December 2025 have been audited by Ernst & Young, who will retire and, being eligible, offer itself for re-appointment at the 2026 AGM.

A resolution will be proposed at the 2026 AGM to re-appoint Ernst & Young as auditor of the Company.

On behalf of the Board

### Zhang Guiqing

*Chairman and Executive Director*

Hong Kong, 26 March 2026



# INDEPENDENT AUDITOR'S REPORT



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## To the shareholders of China Overseas Property Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

### Opinion

We have audited the consolidated financial statements of China Overseas Property Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 126 to 231, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## Independent Auditor's Report (Continued)

### Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><b><i>Recoverability of trade receivables, contract assets and payments on behalf of property owners for properties managed on a commission basis</i></b></p>	
<p>At 31 December 2025, the Group had gross trade receivables and contract assets of approximately RMB3,237 million, and RMB479 million, respectively, which mainly arose from the provision of property management services and value-added services, and gross payments on behalf of property owners for properties managed on a commission basis (the "Other Receivables") in a total amount of approximately RMB235 million. The carrying amount of these receivables and contract assets, net of impairment allowance, amounted to RMB3,505 million in aggregate as at 31 December 2025, which represented 27% of the Group's total assets as at that date.</p>	<p>As part of our audit procedures, we (i) obtained and reviewed the impairment assessments of the trade receivables and contract assets, as well as the Other Receivables prepared by management to understand the credit loss provisioning methodology adopted by the Group; and (ii) considered the adequacy of the disclosures in the consolidated financial statements in connection with the impairment of trade receivables and contract assets, as well as the Other Receivables.</p>
<p>Significant management's judgements and estimates, such as the historical default rate, past repayment history, cash flow projections and forward-looking estimates, were involved in the impairment assessment of these receivables and contract assets.</p>	<p>With regard to the impairment assessment of trade receivables and contract assets, we (i) reviewed the allowance for the expected credit losses estimated by management with reference to the history of debtors' settlement patterns and ageing analysis; (ii) tested, on a sample basis, the ageing of the trade receivables to outstanding billings issued and the settlement of the trade receivables to supporting documents of cash receipts, such as bank advices; (iii) tested, on a sample basis, the accuracy of the calculation of the provision for impairment allowance; (iv) checked the settlement status subsequent to the reporting period; and (v) assessed the reasonableness of the forward-looking estimates.</p>
<p>Related disclosures are included in notes 2.4, 3, 22(b), 23(d) and 24(b) to the consolidated financial statements.</p>	<p>With regard to the impairment assessment of the Other Receivables, we (i) tested, on a sample basis, the key drivers, such as the property management fee and subcontracting costs against property management contracts and contracts with subcontractors, applied in the cash flow forecasts of the relevant property management projects to which the Other Receivables related; (ii) reviewed the outcome of cash flow forecasts of those property management projects in the prior year in order to evaluate the effectiveness of management's previous estimation process; and (iii) evaluated the appropriateness of the discount rates applied in the cash flow forecasts by management.</p>

## Independent Auditor's Report (Continued)

### Other information included in the Annual Report

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

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

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## Independent Auditor's Report (Continued)

### Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement 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.
- 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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent Auditor's Report (Continued)

### Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chow Chi Chung (practising certificate number: P05073).

#### **Ernst & Young**

*Certified Public Accountants*

Hong Kong

26 March 2026



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
<b>REVENUE</b>	5	<b>14,959,871</b>	14,112,544
Direct operating expenses		<b>(12,712,593)</b>	(11,775,610)
<b>GROSS PROFIT</b>		<b>2,247,278</b>	2,336,934
Other income and gains, net	6	<b>136,365</b>	200,472
Fair value loss of self-owned investment properties, net	15	<b>(6,278)</b>	(6,705)
Selling and administrative expenses		<b>(420,922)</b>	(435,257)
Impairment of financial assets and contract assets, net	8	<b>(128,334)</b>	(76,441)
<b>OPERATING PROFIT</b>		<b>1,828,109</b>	2,019,003
Finance costs	7	<b>(7,457)</b>	(8,527)
Share of profit of a joint venture		<b>7,014</b>	5,993
Share of profit of an associate		<b>202</b>	206
<b>PROFIT BEFORE TAX</b>	8	<b>1,827,868</b>	2,016,675
Income tax expenses	11	<b>(450,359)</b>	(490,341)
<b>PROFIT FOR THE YEAR</b>		<b>1,377,509</b>	1,526,334
<b>ATTRIBUTABLE TO:</b>			
Ordinary equity holders of the Company		<b>1,366,779</b>	1,514,296
Non-controlling interests		<b>10,730</b>	12,038
		<b>1,377,509</b>	1,526,334
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted (RMB cents per share)	12	<b>41.62</b>	46.10

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000 (Restated)
<b>PROFIT FOR THE YEAR</b>	<b>1,377,509</b>	1,526,334
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
<i>Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:</i>		
— Exchange differences on translation of subsidiaries' financial statements	<b>(11,921)</b>	8,433
— Exchange differences on translation of an associate's financial statements	<b>(16)</b>	7
	<b>(11,937)</b>	8,440
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>		
— Exchange differences on translation of the Company's financial statements	<b>(17,167)</b>	(5,550)
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<b>(29,104)</b>	2,890
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1,348,405</b>	1,529,224
<b>ATTRIBUTABLE TO:</b>		
Ordinary equity holders of the Company	<b>1,337,675</b>	1,517,186
Non-controlling interests	<b>10,730</b>	12,038
	<b>1,348,405</b>	1,529,224

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	140,488	131,809
Investment properties	15	136,737	156,115
Right-of-use assets	16(b)	67,682	84,683
Intangible assets	17	287,998	247,619
Investment in a joint venture	18	18,291	20,688
Investment in an associate	19	549	362
Equity investment designated at fair value through profit or loss	20	3,911	4,125
Due from a related company	25	—	75,026
Prepayments	24	11,579	16,849
Deferred tax assets	34	112,717	57,568
Total non-current assets		779,952	794,844
<b>CURRENT ASSETS</b>			
Inventories	21	624,895	652,797
Trade receivables	22	2,876,764	2,629,286
Contract assets	23	477,367	151,542
Prepayments, deposits and other receivables	24	1,109,003	1,157,037
Due from the immediate holding company	25	1,459	978
Due from fellow subsidiaries	25	631,352	729,667
Due from other related companies	25	174,292	104,192
Restricted bank deposits	26	12,827	9,310
Cash and bank balances	27	6,270,725	5,832,675
Total current assets		12,178,684	11,267,484
<b>CURRENT LIABILITIES</b>			
Trade payables	28	2,631,061	2,459,748
Other payables and accruals	29	775,912	742,927
Temporary receipts from properties managed	30	1,152,150	1,191,851
Receipts in advance and other deposits	31	1,960,690	1,928,469
Due to the ultimate holding company	32	60	—
Due to the immediate holding company	32	—	1,149
Due to fellow subsidiaries	32	55,400	30,326
Due to other related companies	32	21,763	22,300
Income tax payables		275,021	309,351
Bank borrowings	33	50,000	50,000
Lease liabilities	16(b)	54,069	53,598
Total current liabilities		6,976,126	6,789,719
Net current assets		5,202,558	4,477,765
Total assets less current liabilities		5,982,510	5,272,609

**Consolidated Statement of Financial Position (Continued)**

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	16(b)	<b>41,867</b>	68,557
Deferred tax liabilities	34	<b>10,302</b>	22,279
Total non-current liabilities		<b>52,169</b>	90,836
<b>Net assets</b>		<b>5,930,341</b>	5,181,773
<b>EQUITY</b>			
Equity attributable to ordinary equity holders of the Company			
Issued capital	35	<b>2,677</b>	2,677
Reserves	36	<b>5,851,796</b>	5,101,900
Non-controlling interests		<b>5,854,473</b> <b>75,868</b>	5,104,577 77,196
<b>Total equity</b>		<b>5,930,341</b>	5,181,773

**Xiao Junqiang**  
*Director*

**Kam Yuk Fai**  
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to ordinary equity holders of the Company							Non-controlling interests	Total equity	
	Issued capital	Property revaluation reserve	Exchange fluctuation reserve	PRC statutory reserve	Special reserve	Capital reserve	Retained profits			
	RMB'000 (note 35)	RMB'000	RMB'000	RMB'000 (note 36(b))	RMB'000 (note 36(c))	RMB'000 (note 36(d))	RMB'000	Total RMB'000	RMB'000	RMB'000
At 1 January 2025, as previously reported	2,677	41,080	9,983	564,309	(191,427)	18,751	4,665,109	5,110,482	63,526	5,174,008
Acquisition of China Construction Property Management Co., Ltd. (Note 38)	—	—	—	46	—	—	(5,951)	(5,905)	13,670	7,765
At 1 January 2025, as restated	2,677	41,080	9,983	564,355	(191,427)	18,751	4,659,158	5,104,577	77,196	5,181,773
Profit for the year	—	—	—	—	—	—	1,366,779	1,366,779	10,730	1,377,509
Other comprehensive loss for the year:										
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of subsidiaries' financial statements	—	—	(11,921)	—	—	—	—	(11,921)	—	(11,921)
Exchange differences on translation of an associate's financial statements	—	—	(16)	—	—	—	—	(16)	—	(16)
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of the Company's financial statements	—	—	(17,167)	—	—	—	—	(17,167)	—	(17,167)
Total comprehensive (loss)/income for the year	—	—	(29,104)	—	—	—	1,366,779	1,337,675	10,730	1,348,405
Premium on acquisition of interest in China Construction Property Management Co., Ltd. (Note 38)	—	—	—	—	(374)	—	—	(374)	374	—
Transfer to PRC statutory reserve	—	—	—	22,428	—	—	(22,428)	—	—	—
Capital contribution from non-controlling equity holder of a subsidiary	—	—	—	—	—	—	—	—	800	800
Dividends paid to non-controlling equity holders of subsidiaries	—	—	—	—	—	—	—	—	(11,686)	(11,686)
Disposal of a subsidiary	—	—	—	(447)	—	—	—	(447)	(1,546)	(1,993)
Deregistration of subsidiaries	—	—	—	(538)	—	—	—	(538)	—	(538)
2024 final dividend (note 13)	—	—	—	—	—	—	(285,708)	(285,708)	—	(285,708)
2025 interim dividend (note 13)	—	—	—	—	—	—	(270,641)	(270,641)	—	(270,641)
2025 special dividend (note 13)	—	—	—	—	—	—	(30,071)	(30,071)	—	(30,071)
At 31 December 2025	2,677	41,080*	(19,121)*	585,798*	(191,801)*	18,751*	5,417,089*	5,854,473	75,868	5,930,341

**Consolidated Statement of Changes in Equity (Continued)**

Year ended 31 December 2025

	Attributable to ordinary equity holders of the Company							Total	Non-controlling interests	Total equity
	Issued capital	Property revaluation reserve	Exchange fluctuation reserve	PRC statutory reserve	Special reserve	Capital reserve	Retained profits			
	RMB'000 (note 35)	RMB'000	RMB'000	RMB'000 (note 36(b))	RMB'000 (note 36(c))	RMB'000 (note 36(d))	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024, as previously reported	2,679	41,080	7,093	366,566	(191,427)	21,143	3,874,231	4,121,365	55,652	4,177,017
Acquisition of China Construction Property Management Co., Ltd. (Note 38)	—	—	—	46	—	—	(9,329)	(9,283)	12,222	2,939
At 1 January 2024, as restated	2,679	41,080	7,093	366,612	(191,427)	21,143	3,864,902	4,112,082	67,874	4,179,956
Profit for the year	—	—	—	—	—	—	1,514,296	1,514,296	12,038	1,526,334
Other comprehensive income/(loss) for the year:										
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of subsidiaries' financial statements	—	—	8,433	—	—	—	—	8,433	—	8,433
Exchange differences on translation of an associate's financial statements	—	—	7	—	—	—	—	7	—	7
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of the Company's financial statements	—	—	(5,550)	—	—	—	—	(5,550)	—	(5,550)
Total comprehensive income for the year	—	—	2,890	—	—	—	1,514,296	1,517,186	12,038	1,529,224
Reversal of share-based payment borne by an intermediate holding company (note 37)	—	—	—	—	—	(2,392)	—	(2,392)	—	(2,392)
Transfer to PRC statutory reserve	—	—	—	197,991	—	—	(197,991)	—	—	—
Dividends paid to non-controlling equity holders of subsidiaries	—	—	—	—	—	—	—	—	(2,098)	(2,098)
Shares repurchased and cancelled (note 35)	(2)	—	—	—	—	—	(11,480)	(11,482)	—	(11,482)
Deregistration of subsidiaries	—	—	—	(248)	—	—	—	(248)	(618)	(866)
2023 final dividend (note 13)	—	—	—	—	—	—	(256,680)	(256,680)	—	(256,680)
2024 interim dividend (note 13)	—	—	—	—	—	—	(253,889)	(253,889)	—	(253,889)
At 31 December 2024, as restated	2,677	41,080*	9,983*	564,355*	(191,427)*	18,751*	4,659,158*	5,104,577	77,196	5,181,773

\* These reserve accounts comprise the consolidated reserves of RMB5,851,796,000 (2024: RMB5,101,900,000) in the consolidated statement of financial position as at 31 December 2025.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>1,827,868</b>	2,016,675
Adjustments for:			
Share of profit of a joint venture		<b>(7,014)</b>	(5,993)
Share of profit of an associate		<b>(202)</b>	(206)
Interest income	6	<b>(103,199)</b>	(106,418)
Finance costs	7	<b>7,457</b>	8,527
Impairment of financial assets and contract assets, net	8	<b>128,334</b>	76,441
Depreciation of property, plant and equipment	8	<b>46,849</b>	40,224
Depreciation of right-of-use assets	8	<b>44,254</b>	46,576
Amortisation of intangible assets	8	<b>22,368</b>	17,331
Reversal of share-based payments	37	<b>—</b>	(2,392)
Fair value loss of investment properties, net	15	<b>19,378</b>	18,305
Gain on disposal of a subsidiary		<b>(92)</b>	—
Loss on disposal of items of property, plant and equipment, net	8	<b>1,079</b>	320
(Gain)/loss on early termination of lease contracts, net	6	<b>(871)</b>	734
Operating cash flows before working capital changes		<b>1,986,209</b>	2,110,124
Decrease in inventories		<b>27,902</b>	82,848
Increase in trade receivables		<b>(400,228)</b>	(245,628)
Increase in contract assets		<b>(327,180)</b>	(120,596)
Decrease/(increase) in prepayments, deposits and other receivables		<b>89,936</b>	(113,177)
(Increase)/decrease in amount due from the immediate holding company — trade nature		<b>(481)</b>	963
Decrease/(increase) in amounts due from fellow subsidiaries — trade nature and prepayments		<b>97,881</b>	(243,065)
Decrease/(increase) in amounts due from other related companies — trade nature and prepayments		<b>4,764</b>	(11,403)
Increase in restricted bank deposits		<b>(3,575)</b>	(9,310)
Increase in trade payables		<b>176,647</b>	445,077
Increase in receipts in advance and other deposits		<b>35,750</b>	219,713
Increase/(decrease) in other payables and accruals		<b>39,328</b>	(224,525)
Decrease in temporary receipts		<b>(39,701)</b>	(91,135)
Increase in amount due to the ultimate holding company		<b>60</b>	—
(Decrease)/increase in amount due to the immediate holding company		<b>(1,134)</b>	1,130
Increase in amounts due to fellow subsidiaries		<b>25,141</b>	12,460
Decrease in amounts due to other related companies		<b>(536)</b>	(9,060)
Cash generated from operations		<b>1,710,783</b>	1,804,416
Income taxes paid		<b>(523,195)</b>	(453,043)
PRC withholding tax paid		<b>(34,130)</b>	(13,228)
Net cash flows from operating activities		<b>1,153,458</b>	1,338,145

**Consolidated Statement of Cash Flows (Continued)**

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		62,025	77,957
Purchase of items of property, plant and equipment		(57,486)	(60,912)
Addition of intangible assets		(62,747)	(80,288)
Capital injection to equity investment designated at fair value through profit or loss		—	(4,125)
Disposal of a subsidiary, net of cash		70	—
Dividends received from a joint venture		6,861	—
Placement of non-pledged time deposits with original maturity of over three months		(600,000)	(1,457,838)
Withdrawal of non-pledged time deposits with original maturity of over three months		638,355	525,174
Proceeds from the disposal of items of property, plant and equipment		452	2,014
Net cash flows used in investing activities		(12,470)	(998,018)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Principal portion of lease payments	39(b)	(52,562)	(49,803)
Interest portion of lease payments	39(b)	(6,154)	(6,797)
Other interest paid	39(b)	(1,303)	(1,730)
Drawdown of bank borrowings	39(b)	145,472	53,179
Repayment of bank borrowings	39(b)	(145,472)	(59,538)
Capital contribution from non-controlling equity holder of a subsidiary		800	—
Dividends paid to ordinary equity holders of the Company	13	(586,420)	(510,569)
Dividends paid to non-controlling equity holders of subsidiaries		(11,686)	(2,098)
Payment on repurchase and cancellation of shares		—	(11,482)
Net cash flows used in financing activities		(657,325)	(588,838)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		2,957,250	3,198,976
Effect of foreign exchange rate changes, net		(5,188)	6,985
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>3,435,725</b>	<b>2,957,250</b>

**Consolidated Statement of Cash Flows (Continued)**

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances as stated in the consolidated statement of financial position	27	<b>6,270,725</b>	5,832,675
Less: Time deposits with original maturity of over three months		<b>(2,835,000)</b>	(2,875,425)
Cash and cash equivalents as stated in the consolidated statement of cash flows		<b>3,435,725</b>	2,957,250

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION

China Overseas Property Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Suite 703, 7/F., Three Pacific Place, 1 Queen's Road East, Hong Kong.

The immediate holding company of the Company is China Overseas Holdings Limited (“COHL”), a company incorporated in Hong Kong, and its ultimate holding company is China State Construction Engineering Corporation (中國建築集團有限公司) (“CSCEC”), which is a state-owned enterprise established in the People's Republic of China (the “PRC”) and under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of property management services, value-added services to non-residents and residents, and the trading of car parking spaces.

### Information about principal subsidiaries

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
China Overseas Property Services Limited	Hong Kong	HK\$50,000,100	100	—	Real estate management and investment holding
中海物業管理有限公司**	The PRC/Chinese Mainland	RMB500,000,000	100	—	Real estate management and investment holding
Gold Court (Macau) Property Services Limited	Macau	MOP250,000	96	4	Real estate management.
長春中海物業管理有限公司*	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
成都中海物業管理有限公司*	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
湖南省中海海惠物業管理有限公司#	The PRC/Chinese Mainland	RMB20,500,000	—	84	Real estate management
深圳市中海商業服務有限公司#	The PRC/Chinese Mainland	RMB5,000,000	—	60	Real estate management

## Notes to Financial Statements (Continued)

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION (Continued)

## Information about principal subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
中海物業管理廣州有限公司#	The PRC/ Chinese Mainland	RMB50,000,000	—	100	Real estate management
China Overseas Building Management Limited	Hong Kong	HK\$100	—	100	Real estate management
北京中海物業管理有限公司#	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
北京中建物業管理有限公司#	The PRC/Chinese Mainland	RMB25,000,000	—	100	Real estate management
重慶海投物業管理有限公司#	The PRC/Chinese Mainland	RMB30,000,000	—	100	Real estate management
淄博中海物業管理有限公司#	The PRC/Chinese Mainland	RMB1,000,000	—	100	Real estate management
中海宏洋物業管理有限公司#	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
廣州市光大花園物業管理有限公司#	The PRC/Chinese Mainland	RMB3,000,000	—	100	Real estate management
呼和浩特市中海物業服務有限公司#	The PRC/Chinese Mainland	RMB20,000,000	—	100	Real estate management
上海中海物業管理有限公司#	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
濟南中海物業管理有限公司#	The PRC/Chinese Mainland	RMB20,000,000	—	100	Real estate management
德州華府物業管理有限公司#	The PRC/Chinese Mainland	RMB500,000	—	100	Real estate management
中海(惠州)物業服務有限公司#	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
汕頭中海物業服務有限公司#	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
大連中海海惠物業服務有限公司#	The PRC/Chinese Mainland	RMB8,000,000	—	100	Real estate management
廣東中海物業服務有限公司#	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
天津中海物業管理服務有限公司#	The PRC/Chinese Mainland	RMB10,000,000	—	100	Real estate management
天津中海津信物業服務有限公司#	The PRC/Chinese Mainland	RMB500,000	—	100	Real estate management
中海海惠物業服務有限公司#	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
深圳市中海美城智慧城市運營有限公司#	The PRC/Chinese Mainland	RMB3,000,000	—	100	Real estate management
湖北中海海惠物業管理有限公司#	The PRC/Chinese Mainland	RMB3,500,000	—	100	Real estate management
鄭州中海僑城物業管理有限公司#	The PRC/Chinese Mainland	RMB5,000,000	—	51	Real estate management
福建中海深藍物業管理有限公司#	The PRC/Chinese Mainland	RMB10,000,000	—	100	Real estate management

## Notes to Financial Statements (Continued)

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION (Continued)

## Information about principal subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
西安中海物業管理有限公司*	The PRC/Chinese Mainland	RMB20,000,000	—	100	Real estate management
寧波中海物業管理有限公司*	The PRC/Chinese Mainland	RMB20,000,000	—	100	Real estate management
重慶中海海惠物業管理有限公司*	The PRC/Chinese Mainland	RMB5,000,000	—	100	Real estate management
海納萬商物業管理有限公司*	The PRC/Chinese Mainland	RMB50,000,000	—	100	Real estate management
廣東優你互聯海以為酒店管理有限公司*	The PRC/Chinese Mainland	RMB5,000,000	—	100	Real estate management
珠海航空綜合服務有限公司*	The PRC/Chinese Mainland	RMB4,180,000	—	51	Real estate management
海口海越物業管理有限公司*	The PRC/Chinese Mainland	RMB5,000,000	—	60	Real estate management
新疆中海物業管理有限公司*	The PRC/Chinese Mainland	RMB3,000,000	—	100	Real estate management
溫州中海物業管理有限公司*	The PRC/Chinese Mainland	RMB5,000,000	—	100	Real estate management
渭南中海親頤物業服務有限公司*	The PRC/Chinese Mainland	RMB1,000,000	—	100	Real estate management
畢節中海建投物業管理有限公司*	The PRC/Chinese Mainland	RMB3,000,000	—	60	Real estate management
天津中建物業服務有限公司*	The PRC/Chinese Mainland	RMB3,000,000	—	51	Real estate management
中海海穗物業管理(廣州)有限公司*	The PRC/Chinese Mainland	RMB2,000,000	—	100	Real estate management
南通中海陽光物業管理有限公司*	The PRC/Chinese Mainland	RMB5,000,000	—	60	Real estate management
海南中海投物業管理有限公司*	The PRC/Chinese Mainland	RMB1,000,000	—	60	Real estate management
佛山中海物業管理有限公司*	The PRC/Chinese Mainland	RMB2,000,000	—	100	Real estate management
江蘇中海物業服務有限公司*	The PRC/Chinese Mainland	RMB20,000,000	—	100	Real estate management
China Overseas Mehon Environmental Services Limited	Hong Kong	HK\$10,000,000	—	100	Provision of cleaning services
China Overseas Commercial Services Limited	Hong Kong	HK\$100	—	100	Investment holding
China Overseas Security Services Limited	Hong Kong	HK\$2	—	100	Provision of security services

## Notes to Financial Statements (Continued)

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION (Continued)

## Information about principal subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Gold Court (Macau) Security Services Company Limited	Macau	MOP100,000	—	100	Provision of security services
四川中海園林工程有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB20,000,000	—	100	Provision of engineering, repair and maintenance services
深圳市海博工程科技有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB100,000,000	—	100	Provision of engineering, repair and maintenance services
深圳市興海物聯科技有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB220,000,000	—	100	Provision of engineering, repair and maintenance services
深圳市興海機電工程有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB20,000,000	—	100	Provision of engineering, repair and maintenance services
深圳市海博裝飾工程有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB20,000,000	—	100	Provision of engineering, repair and maintenance services
Mepork Engineering Services Limited	Hong Kong	HK\$100	—	100	Provision of engineering, repair and maintenance services
Mepork (Macau) Engineering Services Limited	Macau	MOP25,000	—	100	Provision of engineering, repair and maintenance services
China Overseas Property Management Trade Mark Limited	Hong Kong	HK\$1	100	—	Holding of trademarks
青島瀚海祥鑫商貿有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB1,000,000	—	100	Provision of services through an online-to-offline ("O2O") platform
海略(河南)信息科技有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB1,000,000	—	100	Provision of services through an O2O platform
深圳市優你家互聯網科技有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB25,000,000	—	100	Provision of services through an O2O platform
杭州優你互聯科技有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB2,000,000	—	100	Provision of services through an O2O platform

## Notes to Financial Statements (Continued)

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION (Continued)

## Information about principal subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
深圳市海惠優選互聯網科技有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Provision of services through an O2O platform
天津市海惠優選互聯網科技有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Provision of services through an O2O platform
重慶市優你家互聯網科技有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Provision of services through an O2O platform
武漢市優你家房地產經紀有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Provision of services through an O2O platform
北京市優你家房地產經紀有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Provision of services through an O2O platform
宿州中海物業有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	51	Real estate management
重慶中海濱江物業管理有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB3,000,000	—	51	Real estate management
廣州利合物業管理有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Real estate management
廣東臻知己酒業銷售有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Retailing
龍岩中海深藍物業管理有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Real estate management
中建物業管理有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB54,000,000	—	70	Real estate management
安徽中海宏洋物業管理有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB5,000,000	—	100	Real estate management
青島中海物業管理有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB3,000,000	—	100	Real estate management
深圳市雲啟美城物業管理有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB2,000,000	—	60	Real estate management
美城城市運營管理(深圳)有限公司 <sup>#</sup>	The PRC/Chinese Mainland	RMB8,000,000	—	51	Real estate management

\* These companies are registered as wholly-foreign-owned enterprises under PRC law.

# These companies are registered as limited liability companies under PRC law.

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

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). They have been prepared under the historical cost convention, except for investment properties and equity investment designated at fair value through profit or loss which have been measured at fair value. The functional currency of the Company is Hong Kong dollar ("HK\$") and the functional currencies of other group entities are mainly Renminbi ("RMB"). These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

#### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Adjustments are made to bring into line any dissimilar accounting policies that may exist. Other than those subsidiaries acquired under business combinations under common control which are consolidated from the date when combining entities first come under the control of the controlling shareholder of the Company or from the earliest date presented in these financial statements, whichever is the latter, the results of other subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.1 Basis of Preparation (Continued)*****Basis of consolidation (Continued)***

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

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

**2.2 Changes in Accounting Policies and Disclosures**

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associate for translation into the Group's presentation currency were exchangeable, the amendments did not have any significant impacts on the Group's financial statements.

**2.3 Issued but not yet Effective HKFRS Accounting Standards**

The Group has not applied the following applicable new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements:

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i> <sup>1</sup>

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

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

3 No mandatory effective date yet determined but available for adoption

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.3 Issued but not yet Effective HKFRS Accounting Standards (Continued)

The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

- (a) HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.
- (b) HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.3 Issued but not yet Effective HKFRS Accounting Standards (Continued)**

- (c) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening balance of retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- (d) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.
- (e) Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 *Investments in Associates* in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.3 Issued but not yet Effective HKFRS Accounting Standards (Continued)

- (f) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, *Presentation of Financial Statements*, HKFRS 7 *Financial Instruments* (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9 *Financial Instruments*, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:
- **HKFRS 7 Disclosures:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
  - **HKFRS 9:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
  - **HKFRS 10:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
  - **HKAS 7:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies*****Fair value measurement***

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

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

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

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

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Investments in a joint venture and an associate***

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

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

The Group's investments in a joint venture and an associate are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of a joint venture and an associate is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture or associate are eliminated to the extent of the Group's investments in the joint venture or associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of a joint venture or an associate is included as part of the Group's investments in a joint venture or an associate.

If an investment in a joint venture becomes an investment in an associate or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of joint control over the joint venture or significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in a joint venture or an associate is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****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 holding company 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 holding company, 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 holding company 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 a holding company of the Group.

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Business combinations and goodwill***

###### *Business combinations under common control*

Business combinations of entities under common control are accounted for using the principle of merger accounting in accordance with the Accounting Guideline 5 *Merger Accounting for Common Control Combinations* ("AG 5 (Revised)") issued by the HKICPA. Under the principle of merger accounting, the consolidated financial statements incorporate the financial statement items of the acquired entities of businesses in which the common control combination occurs from the date when the acquired entities or businesses first come under the control of the controlling party.

The net assets of the acquired entities or businesses are consolidated using the existing book values from the controlling party's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the common control combination. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded (net of any reserves of the acquired entities) have been recognised directly in equity as part of the special reserve. Acquisition-related costs are expenses as incurred.

The consolidated profit or loss and the consolidated other comprehensive income include the results of each of the acquired entities or businesses from the earliest date presented or since the date when the acquired entities or businesses first come under common control, where this is a shorter period.

###### *Other business combinations and goodwill*

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

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Business combinations and goodwill (continued)****Other business combinations and goodwill (continued)*

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

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

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

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

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

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

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

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Impairment of non-financial assets***

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

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

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

##### ***Property, plant and equipment and depreciation***

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

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Property, plant and equipment and depreciation (Continued)***

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of different categories of property, plant and equipment are as follows:

Buildings	20 years
Leasehold improvements	Over the shorter of the lease terms and 5 years
Machinery and equipment	3 to 10 years
Motor vehicles	5 years
Furniture, fixtures and office equipment	3 to 8 years

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

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

***Investment properties***

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the period of the retirement or disposal.

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Investment properties (Continued)*

When a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as follows:

- (a) any resulting decrease in the carrying amount of the property is recognised in profit or loss in the period the change in use takes place; or
- (b) any resulting increase in the carrying amount is credited to profit or loss, to the extent that the increase reverses a previous impairment loss for that property, or restores the carrying amount of the property to an amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the property in prior periods; and any remaining part of the increase in the carrying amount is credited directly to equity in the property revaluation reserve. On subsequent disposal of the property, the relevant portion of the property revaluation reserve realised is transferred to retained profits as a movement in reserves.

##### *Leases*

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

##### *Group as a lessor*

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

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

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Leases (Continued)****Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

## (a) Right-of-use assets

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

Leasehold land	20 years
Buildings	2 to 10 years

If ownership of the leased asset is transferred to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "Inventories". When a right-of-use asset meets the definition of an investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value in accordance with the Group's policy for "Investment properties".

The Group's right-of-use assets are separately presented on the face of the consolidated statement of financial position.

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### **Leases (Continued)**

###### *Group as a lessee (Continued)*

###### (b) Lease liabilities

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

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

The Group's lease liabilities are separately presented on the face of the consolidated statement of financial position.

###### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on the straight-line basis over the lease term.

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Intangible assets****Computer software and systems*

Computer software and systems acquired separately is measured on initial recognition at cost. The useful lives of computer software and systems are assessed to be finite.

Computer software and systems is subsequently amortised over the useful economic life of 3 to 10 years and assessed for impairment whenever there is an indication that the computer software and systems may be impaired. The amortisation period and the amortisation method for computer software is reviewed at least at each financial year end.

Self-developed computer software and systems are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 3 to 10 years, commencing from the date when the products are put into commercial production.

*Research and development costs*

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

***Investments and other financial assets****Initial recognition and measurement*

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

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

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Investments and other financial assets (Continued)***

###### *Initial recognition and measurement (Continued)*

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

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

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

###### *Subsequent measurement*

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

(a) Financial assets at amortised cost

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

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Investments and other financial assets (Continued)****Impairment*

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

## (a) General approach

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

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

The Group considers a financial asset in default when contractual payments are past due for more than one year. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group’s credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Investments and other financial assets (Continued)*

###### *Impairment (Continued)*

(a) General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets that result from transactions that are within the scope of HKFRS 15 and HKFRS 16, which apply the simplified approach as detailed below.

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

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

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

(b) Simplified approach

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Investments and other financial assets (Continued)****Derecognition*

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

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

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

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

***Financial liabilities****Initial recognition and measurement*

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are all classified, at initial recognition, as financial liabilities at amortised cost, which are recognised initially at fair value and net of directly attributable transaction costs.

*Subsequent measurement*

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

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

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Financial liabilities (Continued)***

###### *Derecognition*

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

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

###### ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

###### ***Inventories***

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

###### ***Cash and cash equivalents***

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

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

###### ***Provisions***

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

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Income tax***

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

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

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

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

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

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

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Income tax (Continued)***

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

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

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

##### ***Government grants***

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

##### ***Revenue recognition***

###### *Revenue from contracts with customers*

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

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Revenue recognition (Continued)****Revenue from contracts with customers (Continued)*

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

*(a) Property management services*

Revenue from the provision of property management services (both on a lump sum basis and on a commission basis) is recognised over the scheduled period on the straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

For property management service income of properties managed on a lump sum basis, where the Group acts as a principal and is primarily responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of services. For property management service income of properties managed on a commission basis, the Group recognises the commission, which is calculated by a certain percentage of either (i) the total property management fee received/receivable from the property owners; or (ii) the total property management expenses incurred, as its revenue for arranging and monitoring the services provided by service suppliers to the property owners.

*(b) Value-added services*

Revenue from the provision of certain value-added services, including common area rental assistance, provision of engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery, move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc is recognised over time, using either input or output method to measure progress towards complete satisfaction of the service, because (i) the customer simultaneously receives and consumes the benefits provided by the Group; or (ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Revenue from the provision of other value-added services, including rental assistance, agency and custody for rental estate transactions, home living service operations, commercial service operations, etc., is recognised at the point in time when control of services or goods have been transferred to customers.

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### **Revenue recognition (Continued)**

###### *Revenue from contracts with customers (Continued)*

###### (c) *Trading of car parking spaces*

Revenue from the trading of car parking spaces is recognised at the point in time when control of the asset is transferred to the customer.

###### *Revenue from other sources*

###### (a) *Rental income*

Rental income is recognised on the straight line basis over the lease terms.

###### (b) *Interest income*

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

###### (c) *Dividend income*

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

##### **Contract assets**

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration. Contract assets are assessed for impairment under the same approach adopted for impairment of trade receivables. They are reclassified to trade receivables when the right to be the consideration becomes unconditional.

##### **Contract liabilities**

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Employee benefits****Share-based payments*

Certain employees of the Group were granted incentive shares by an intermediate holding company in respect of their services to the Group. Such equity-settled share-based payment transactions do not involve repayment arrangements and accordingly, they are accounted for as a deemed capital contribution to the Group from the intermediate holding company. The amount to be expensed as share-based compensation expense in respect of these equity-settled share-based payment transactions is determined by reference to the fair value of the share awards granted, taking into account all non-vesting conditions associated with the grants. The total expense is recognised over the relevant vesting periods (or on the grant date if the share awards vest immediately), with a corresponding credit to the capital reserve under equity. For those share awards which are amortised over the vesting periods, the Group revises its estimates of the number of awarded incentive shares that are expected to ultimately vest based on the vesting conditions at the end of each reporting period. Any resulting adjustment to the cumulative fair value recognised in prior years is recognised in profit or loss in the current year, with a corresponding adjustment to the capital reserve.

*Defined contribution schemes*

The Group has joined a number of defined contribution pension schemes organised by certain provincial or municipal governments in Chinese Mainland for certain of its employees, the assets of which are held separately from those of the Group. Contributions are made based on a percentage of the eligible employees' salaries and are charged to profit or loss as they become payable, in accordance with the rules of the pension schemes. The employer contributions vest fully once made.

For those employees that have not yet joined a pension scheme, the Group has accrued for the estimated future pension costs based on a percentage of their salaries. The related assets for the purpose of discharging such liabilities are not separately held from those of the Group.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme in Hong Kong (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

***Dividends***

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim and special dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim and special dividends. Consequently, interim and special dividends are recognised immediately as a liability when they are proposed and declared.

## Notes to Financial Statements (Continued)

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Foreign currencies*

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

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

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

The functional currencies of certain subsidiaries and an associate established in Hong Kong, Macau and overseas are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interest. On disposal of a foreign operation, the cumulative amount in the reserve component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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

**Notes to Financial Statements (Continued)**

31 December 2025

**2. ACCOUNTING POLICIES (Continued)****2.4 Material Accounting Policies (Continued)*****Events after the reporting period***

If the Group receives information after the reporting period, but prior to the date of authorisation for issue of the financial statements, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

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

The major judgements, key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have the most significant effect on the amounts recognised in the financial statements and 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 as below:

**(a) Provision for ECLs on trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs by applying ECL rates to different ageing groups of trade receivables and contract assets. The ECL rate of each ageing group is determined by the Group based on the average of historical incurred credit loss experience on each ageing group in the past years (i.e., the historical observed default rates) and, where material, adjusted for forward-looking factors specific to the debtors and the economic environment. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group's historical credit loss experience and forecast of economic conditions may not be representative of a customer's actual default in the future and significant management estimates are required in the estimates. When the actual outcome of expectation in future is different from the original estimates, such differences will impact on the carrying amount of trade receivables and contract assets and the amount of ECLs provided or reversed in the periods in which such estimates have been changed. The information about the ECLs on the Group's trade receivables and contract assets are disclosed in notes 22(b) and 23(d) to the financial statements.

## Notes to Financial Statements (Continued)

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### (b) Provision for ECLs on payments on behalf of property owners for properties managed on a commission basis

Payments on behalf of property owners for properties managed on a commission basis represent advances made to or operating costs paid on behalf of property owners for properties managed on a commission basis. The ECL on these receivables is determined by the Group based on (i) the net present value of expected future cash flows of respective property management projects, which have included a number of estimations and inputs, such as estimated property management fee, estimated collection rates and estimated operating costs; (ii) past repayment history; and (iii) where material, adjusted for forward-looking factors specific to the respective property management projects and the economic environment.

The Group's estimation on expected future cash flows of the relevant property management projects and forecast of economic conditions may not be representative of the actual cash flows in the future and significant management estimates are required in the estimates. When the actual outcome of expectation in future is different from the original estimates, such differences will impact on the carrying amount of payments on behalf of property owners for properties managed on a commission basis and the amount of ECLs provided or reversed in the periods in which such estimates have been changed. The information about the ECLs on these receivables is disclosed in note 24(b) to the financial statements.

#### (c) Principal versus agent considerations in relation to property management services

The Group provides property management services either on a lump sum basis or commission basis as stipulated in the property management services contracts. The Group applies judgement in determining whether the Group is acting as a principal or an agent in relation to property management services in considering all relevant facts and circumstances, including the contractual terms of property management services contracts.

In relation to property management services on a lump sum basis, the Group acts as a principal and is primarily responsible for the provision of property management services to the property owners, where the Group recognises the property management fee received and receivable from property owners as its revenue and all related costs as its costs of services on a gross basis. In relation to property management services on a commission basis, the Group acts as an agent and considers that its performance obligations are only limited to arranging and monitoring the services provided by other services providers to the property owners, where the Group only recognises the commission income, which is calculated by a certain percentage of either (i) the total property management fee received/receivable from the property owners; or (ii) the total property management expenses incurred, as its revenue for arranging and monitoring the services provided by service suppliers to the property owners.

**Notes to Financial Statements (Continued)**

31 December 2025

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)****(d) Estimation of fair value of investment properties**

The fair value of the Group's investment properties is assessed by management based on property valuations performed by independent professionally qualified valuers. The assumptions adopted in the property valuations are based on information of annual rental income and property market price per square metre, supported by (i) the terms of any existing leases and other contracts; and where possible, (ii) external evidence such as current market rents and recent prices for similar properties in the similar locations and conditions.

Further details of the fair values estimation of the investment properties, including the key assumptions used and valuation techniques adopted for the fair value measurement, as well as a sensitivity analysis, are set out in note 15(b) to the financial statements.

**(e) Classification of car parking spaces between investment properties and inventories**

The Group holds car parking spaces for trading, earning rentals and/or capital appreciation. Judgement is made by management on determining whether a car parking space is designated as an investment property or an inventory. The Group considers its intention of holding the properties at the acquisition stage of the related car parking spaces for financial statement classification of these car parking spaces.

Car parking spaces intended for sale are accounted for as inventories in current assets and subsequently measured at the lower of cost and net realisable value at the end of each reporting period, whereas car parking spaces intended to be held to earn rentals and/or for capital appreciation are accounted for as investment properties in non-current assets and subsequently measured at fair value at the end of each reporting period.

**(f) Determination of the incremental borrowing rate**

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

## Notes to Financial Statements (Continued)

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### (g) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### (h) Useful lives and residual values of property, plant and equipment, right-of-use assets and intangible assets

Management determines the useful lives, residual values and related depreciation/amortisation charges for the Group's property, plant and equipment, right-of-use assets and intangible assets. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment, right-of-use assets and intangible assets with similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation/amortisation charge where useful lives or residual values are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable/amortisable lives and hence depreciation/amortisation in future periods. Details of property, plant and equipment, right-of-use assets and intangible assets carried as assets in the consolidated statement of financial position are disclosed in notes 14, 16(b) and 17 to the financial statements, respectively.

#### (i) Determination of the net realisable value of car parking spaces

Inventories are stated as the lower of cost and net realisable value in accordance with the accounting policy as disclosed in note 2.4 to the financial statements. Management estimates the net realisable value of the Group's car parking spaces based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each reporting period by comparing the costs and recent prices for similar car parking spaces in the similar locations and conditions. The carrying amount of car parking spaces and further details are given in note 21 to the financial statements.

#### (j) Recognition of a deferred tax liability for withholding taxes

The Corporate Income Tax Law of the PRC states that the distribution of dividends by a foreign invested enterprise established in Chinese Mainland to its foreign investors shall be subject to withholding corporate income tax at a rate of 5% or 10%. The Group carefully evaluates the necessity of dividend distribution of its PRC subsidiaries based on the management's judgement. Further details are given in note 34(b) to the financial statements.

**Notes to Financial Statements (Continued)**

31 December 2025

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)****(k) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at the end of the reporting date and further details are set out in note 34(a) to the financial statements.

**4. OPERATING SEGMENT INFORMATION**

For management purpose, the Group is organised into business segments based on their products and services and has three reportable operating segments consistent with the classification in prior years, in which value-added services segment was further divided into two sub-segments, namely value-added services to non-residents and value-added services to residents, for presentation purpose, which in the opinion of the directors of the Company, would provide a more comprehensive disclosure for financial statement users. The reportable operating segments are described as follows:

- (a) the property management services segment engages in the provision of property management services such as security, repairs and maintenance, cleaning and garden landscape maintenance for residential communities (including mixed-use properties), commercial properties, government properties and construction sites.
- (b) the value-added services segment included:
  - (i) the value-added services to non-residents sub-segment engages in the provision of engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery (such as security, cleaning and repair and maintenance services for display units in pre-sale offices for developing properties), move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc. to non-residents (such as property developers and other property management companies).
  - (ii) the value-added services to residents sub-segment engages in the provision of community asset management services (such as rental assistance, agency and custody for real estate transactions, common area rental assistance and rental of self-owned properties), home living service operations (to meet the various needs of residents of the properties) and commercial service operations (to meet the needs of business users).
- (c) the car parking space trading business segment engages in the trading of various types of car parking spaces.

**Notes to Financial Statements (Continued)**

31 December 2025

**4. OPERATING SEGMENT INFORMATION (Continued)****Basis of segment information**

The chief operating decision maker of the Group ("CODM", identified as the executive directors of the Company and certain senior management) monitors the results of the Group's operating segments separately for the purpose of making decisions about measurements including resource allocation and performance assessment. Segment performance is evaluated based on various considerations, including but not limited to reportable segment profit, which is measured consistently with the Group's profit before tax except that corporate expenses including professional fees and staff costs are excluded from such measurement.

Inter-segment revenue and transfers are transacted with reference to the charging prices used for revenue from third parties at the then prevailing market prices.

## Notes to Financial Statements (Continued)

31 December 2025

## 4. OPERATING SEGMENT INFORMATION (Continued)

## Segment revenue and results

Year ended 31 December 2025

	Property management services RMB'000	Value-added services				Total RMB'000
		Non-residents		Residents	Car parking space trading business	
		Sub-total	Sub-total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Reportable segment revenue</b>						
Revenue from external customers (note 5)	11,729,026	1,939,848	1,218,558	3,158,406	72,439	14,959,871
Inter-segment revenue	132,352	826,358	136,283	962,641	—	1,094,993
	11,861,378	2,766,206	1,354,841	4,121,047	72,439	16,054,864
<i>Reconciliation:</i>						
Elimination of inter-segment revenue						(1,094,993)
Reported total revenue						14,959,871
<b>Reportable segment results</b>	1,385,372	63,827	388,766	452,593	17,630	1,855,595
<i>Reconciliation:</i>						
Corporate expenses, net						(27,727)
Profit before tax						1,827,868

	Property management services RMB'000	Value-added services				Total RMB'000
		Non-residents		Residents	Car parking space trading business	
		Sub-total	Sub-total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Other segment information</b>						
Interest income	96,557	568	383	951	—	103,199
Loss on disposal of items of property, plant and equipment, net	1,079	—	—	—	—	1,079
Gain on early termination of lease contracts, net	—	—	871	871	—	871
Impairment of financial assets and contract assets, net	118,742	6,893	2,699	9,592	—	128,334
Depreciation and amortisation	73,957	22,080	14,943	37,023	—	113,471
Fair value loss of self-owned investment properties, net	—	—	6,278	6,278	—	6,278
Fair value loss of leased investment properties, net	—	—	13,100	13,100	—	13,100
Share of profit of a joint venture	7,014	—	—	—	—	7,014
Share of profit of an associate	202	—	—	—	—	202

## Notes to Financial Statements (Continued)

31 December 2025

## 4. OPERATING SEGMENT INFORMATION (Continued)

## Segment revenue and results (Continued)

Year ended 31 December 2024 (Restated)

	Property management services RMB'000	Value-added services		Sub-total RMB'000	Car parking space trading business RMB'000	Total RMB'000
		Non-residents RMB'000	Residents RMB'000			
<b>Reportable segment revenue</b>						
Revenue from external customers (note 5)	10,755,009	1,828,734	1,384,606	3,213,340	144,195	14,112,544
Inter-segment revenue	174,336	774,653	132,593	907,246	—	1,081,582
	10,929,345	2,603,387	1,517,199	4,120,586	144,195	15,194,126
<i>Reconciliation:</i>						
Elimination of inter-segment revenue						(1,081,582)
Reported total revenue						14,112,544
Reportable segment results	1,551,254	146,455	328,949	475,404	29,452	2,056,110
<i>Reconciliation:</i>						
Corporate expenses, net						(39,435)
Profit before tax						2,016,675

	Property management services RMB'000	Value-added services		Sub-total RMB'000	Car parking space trading business RMB'000	Corporate and other unallocated RMB'000	Total RMB'000
		Non-residents RMB'000	Residents RMB'000				
<b>Other segment information</b>							
Interest income	91,255	442	881	1,323	—	13,840	106,418
Loss on disposal of items of property, plant and equipment, net	320	—	—	—	—	—	320
Loss on early termination of lease contracts, net	—	—	734	734	—	—	734
Impairment of financial assets and contract assets, net	67,464	8,875	102	8,977	—	—	76,441
Depreciation and amortisation	78,282	16,997	6,178	23,175	—	2,674	104,131
Fair value loss of self-owned investment properties, net	—	—	6,705	6,705	—	—	6,705
Fair value loss of leased investment properties, net	—	—	11,600	11,600	—	—	11,600
Share of profit of a joint venture	5,993	—	—	—	—	—	5,993
Share of profit of an associate	206	—	—	—	—	—	206

## Notes to Financial Statements (Continued)

31 December 2025

## 4. OPERATING SEGMENT INFORMATION (Continued)

## Geographical information

## (a) Revenue from external customers

	2025 RMB'000	2024 RMB'000 (Restated)
Chinese Mainland:		
Hua South Region	<b>3,830,585</b>	3,619,643
Hua East Region	<b>2,071,827</b>	2,232,464
Hua North Region	<b>2,979,794</b>	2,622,766
Hua Central Region	<b>689,274</b>	696,837
Northeast Region	<b>888,639</b>	1,019,074
Northwest Region	<b>671,224</b>	705,196
Southwest Region	<b>1,360,026</b>	1,459,337
	<b>12,491,369</b>	12,355,317
Hong Kong and Macau	<b>2,468,502</b>	1,757,227
Total	<b>14,959,871</b>	14,112,544

The revenue information above is based on the locations of the customers.

**Notes to Financial Statements (Continued)**

31 December 2025

**4. OPERATING SEGMENT INFORMATION (Continued)****Geographical information (Continued)****(b) Non-current assets**

	2025 RMB'000	2024 RMB'000 (Restated)
Chinese Mainland:		
Hua South Region	426,858	377,461
Hua East Region	66,736	68,621
Hua North Region	39,016	66,805
Hua Central Region	15,994	13,472
Northeast Region	10,558	10,582
Northwest Region	12,103	8,964
Southwest Region	45,697	55,394
	<b>616,962</b>	601,299
Hong Kong and Macau	27,522	35,776
Total	<b>644,484</b>	637,075

The non-current assets information above is based on the locations of the assets and excludes investments in a joint venture in Chinese Mainland and an associate in Hong Kong, an equity investment designated at fair value through profit or loss, balance due from a related company and deferred tax assets.

**Information about a major customer**

There was no individual customer which contributed 10% or more of the Group's revenue during each of the years ended 31 December 2025 and 2024.

## Notes to Financial Statements (Continued)

31 December 2025

## 5. REVENUE

## (a) Disaggregated revenue information

*Type of goods or services*

Revenue from contracts with customers disaggregated by type of goods or services (i.e., provision of property management services, provision of value-added services to non-residents and residents and trading of car parking spaces) are recognised in the respective reportable operating segments (i.e., property management services, value-added services to non-residents and residents and car parking space trading business), and the details of the revenue from these reportable operating segments are set out in note 4 above.

*Timing of revenue recognition*

## Year ended 31 December 2025

Segments	Property management services RMB'000	Value-added services				
		Non-residents RMB'000	Residents RMB'000	Car parking space trading business		Total RMB'000
				Sub-total RMB'000	RMB'000	
Good or services transferred at a point in time	—	—	896,155	896,155	68,851	965,006
Services transferred over time	11,729,026	1,939,848	308,720	2,248,568	—	13,977,594
Total revenue from contracts with customers	11,729,026	1,939,848	1,204,875	3,144,723	68,851	14,942,600
Revenue from another source — rental income	—	—	13,683	13,683	3,588	17,271
Total revenue from external customers	11,729,026	1,939,848	1,218,558	3,158,406	72,439	14,959,871

## Year ended 31 December 2024 (Restated)

Segments	Property management services RMB'000	Value-added services				
		Non-residents RMB'000	Residents RMB'000	Car parking space trading business		Total RMB'000
				Sub-total RMB'000	RMB'000	
Good or services transferred at a point in time	—	—	1,008,854	1,008,854	140,044	1,148,898
Services transferred over time	10,755,009	1,828,734	359,132	2,187,866	—	12,942,875
Total revenue from contracts with customers	10,755,009	1,828,734	1,367,986	3,196,720	140,044	14,091,773
Revenue from another source — rental income	—	—	16,620	16,620	4,151	20,771
Total revenue from external customers	10,755,009	1,828,734	1,384,606	3,213,340	144,195	14,112,544

**Notes to Financial Statements (Continued)**

31 December 2025

**5. REVENUE (Continued)****(a) Disaggregated revenue information (Continued)*****Geographical market***

All revenue was generated in the PRC (including Chinese Mainland, Hong Kong and Macau) during the years ended 31 December 2025 and 2024.

- (b) The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 RMB'000	2024 RMB'000 (Restated)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Property management services	1,275,689	989,583
Value-added services	20,221	34,465
	<b>1,295,910</b>	1,024,048

No revenue recognised during the year ended 31 December 2025 was in relation to performance obligations satisfied or partially satisfied in previous periods (2024: Nil).

**(c) Performance obligations**

Information about the Group's performance obligations in contracts with customers is summarised below:

***Provision of property management services***

The Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value to the customer of the Group's performance to date over time. The Group bills the amount for services provided over time and payment is generally due for payment within 90 days upon the issuance of demand notes by the Group.

***Provision of value-added services to non-residents***

The performance obligations in relation to engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery, move-in assistance, delivery inspection, engineering service quality monitoring and consulting services etc. are satisfied over time when the services are rendered and the payment is generally due for payment within 90 days upon issuance of billings.

***Provision of value-added services to residents***

The performance obligations are satisfied over time, except for those in relation to rental assistance, agency and custody for rental estate transactions and home living service operations, of which the performance obligations are satisfied at a point in time, and the payment is generally due for payment within 90 days upon issuance of billings.

**Notes to Financial Statements (Continued)**

31 December 2025

**5. REVENUE (Continued)****(c) Performance obligations (Continued)*****Trading of car parking spaces***

Revenue from the trading of car parking spaces is recognised when customers obtain the physical possession or the legal title of the car parking spaces and at which time the payment is due immediately.

At 31 December 2025, the amount of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied), resulting from property management service contracts with fixed terms, is RMB11,496,918,000 (2024: RMB11,203,387,000 (restated)), of which approximately 54% (2024: 50% (restated)) is expected to be recognised as revenue within one year. In addition, the amounts disclosed above do not include variable consideration which is constrained.

For property management service contracts that do not have a fixed term, of which is generally set to expire when the counterparties notify the Group that the services are no longer required, the Group has a right to consideration from customers in an amount that corresponds directly with the value to customers of the Group's performance completed to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these contracts.

In addition, the Group has elected the practical expedient not to disclose the remaining performance obligations for value-added service contracts, of which the contract period is not more than one year.

**6. OTHER INCOME AND GAINS, NET**

An analysis of the Group's other income and gains, net is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Unconditional government grants:		
— Government subsidies arising from value-added and other tax beneficial policies	5,823	15,054
— Other government grants	24,819	26,977
Interest income	30,642	42,031
Gain/(loss) on early termination of lease contracts, net (note 16(b))	103,199	106,418
Others	871	(734)
	1,653	52,757
	<b>136,365</b>	200,472

## Notes to Financial Statements (Continued)

31 December 2025

## 7. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expenses on lease liabilities (note 16(b))	6,154	6,797
Interest charges on short-term bank borrowings	1,303	1,730
	<b>7,457</b>	8,527

## 8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Cost of inventories sold*		44,270	90,797
Cost of consumables consumed*		602,326	785,011
Sub-contracting costs*		6,811,693	5,434,810
Depreciation of property, plant and equipment	14	46,849	40,224
Less: Included in direct operating expenses		(33,184)	(25,992)
		<b>13,665</b>	14,232
Depreciation of right-of-use assets	16(b)	44,254	46,576
Less: Included in direct operating expenses		(20,153)	(22,296)
		<b>24,101</b>	24,280
Amortisation of intangible assets	17	22,368	17,331
Less: Included in direct operating expenses		(13,907)	(8,577)
		<b>8,461</b>	8,754
Employee benefit expenses (including directors' and chief executive's remuneration (note 9)):			
Wages and salaries		3,920,824	4,222,233
Share-based payments (note (a))		—	(2,392)
Pension scheme contributions (defined contribution schemes) (note (b))		299,578	304,390
		<b>4,220,402</b>	4,524,231
Less: Included in direct operating expenses		(3,941,881)	(4,214,510)
		<b>278,521</b>	309,721

## Notes to Financial Statements (Continued)

31 December 2025

## 8. PROFIT BEFORE TAX (Continued)

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Rental expenses relating to short-term leases or low-value assets	16(b)	25,287	22,691
Direct operating expenses arising from rental-earning investment properties (including repairs and maintenance)		9,140	9,253
Tax surcharges and other levies*		51,309	60,616
Auditor's remuneration:			
Audit services in respect of annual audit		4,007	3,788
Non-audit services		1,735	704
		5,742	4,492
Impairment/(reversal of impairment) of financial and contract assets, net:			
Trade receivables	22(b)	120,658	82,511
Contract assets	23(d)	1,135	361
Other receivables	24(b)	6,541	12,871
Recovery of other receivables written off in prior years		—	(19,302)
		128,334	76,441
Fair value loss of investment properties, net:			
Self-owned investment properties	15	6,278	6,705
Leased investment properties*	15	13,100	11,600
		19,378	18,305
Loss on disposal of items of property, plant and equipment, net		1,079	320
Foreign exchange gain, net		(2,636)	(11,934)

Notes:

- (a) During the year ended 31 December 2025, there was no share-based payment to directors, senior management and other employees recognised in profit or loss (2024: reversal on share-based payment of RMB2,392,000).
- (b) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- \* These items are included in "Direct operating expenses" in the consolidated statement of profit or loss.

**Notes to Financial Statements (Continued)**

31 December 2025

**9. DIRECTORS' REMUNERATION**

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

	2025 RMB'000	2024 RMB'000
Fees	1,101	1,098
Other emoluments:		
Salaries, allowances and benefits in kind	5,045	5,180
Performance related bonuses	2,582	3,038
Pension scheme contributions	121	117
	<b>7,748</b>	8,335
	<b>8,849</b>	9,433

An analysis of the directors' remuneration, on a named basis, is as follows:

**Year ended 31 December 2025**

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000 (note (a))	Performance related bonuses RMB'000 (note (b))	Pension scheme contributions RMB'000	Total RMB'000
<b>Executive directors:</b>					
Mr. Zhang Guiqing	—	1,380	950	16	2,346
Mr. Xiao Junqiang	—	996	900	49	1,945
Mr. Pang Jinying <sup>†</sup>	—	693	576	39	1,308
Mr. Kam Yuk Fai <sup>#</sup>	—	1,976	156	17	2,149
<b>Non-executive directors:</b>					
Mr. Guo Lei	—	—	—	—	—
Ms. Ng, Yat Wing Athena <sup>†</sup>	—	—	—	—	—
<b>Independent non-executive directors:</b>					
Mr. Lim Wan Fung, Bernard Vincent <sup>#</sup>	367	—	—	—	367
Mr. Yung Wing Ki, Samuel <sup>#</sup>	367	—	—	—	367
Mr. So, Gregory Kam Leung <sup>#*</sup>	367	—	—	—	367
	<b>1,101</b>	<b>5,045</b>	<b>2,582</b>	<b>121</b>	<b>8,849</b>

**Notes to Financial Statements (Continued)**

31 December 2025

**9. DIRECTORS' REMUNERATION (Continued)**

Year ended 31 December 2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000 (note (a))	Performance related bonuses RMB'000 (note (b))	Pension scheme contributions RMB'000	Total RMB'000
<b>Executive directors:</b>					
Mr. Zhang Guiqing	—	1,380	1,200	17	2,597
Mr. Xiao Junqiang	—	996	870	42	1,908
Mr. Pang Jinying <sup>+</sup>	—	840	804	42	1,686
Mr. Kam Yuk Fai <sup>#</sup>	—	1,964	164	16	2,144
<b>Non-executive directors:</b>					
Mr. Ma Fujun <sup>^</sup>	—	—	—	—	—
Mr. Guo Lei	—	—	—	—	—
Ms. Ng, Yat Wing Athena <sup>^</sup>	—	—	—	—	—
<b>Independent non-executive directors:</b>					
Mr. Lim Wan Fung, Bernard Vincent <sup>#</sup>	366	—	—	—	366
Mr. Yung Wing Ki, Samuel <sup>#</sup>	366	—	—	—	366
Mr. So, Gregory Kam Leung <sup>#*</sup>	366	—	—	—	366
	1,098	5,180	3,038	117	9,433

<sup>^</sup> On 25 October 2024, Mr. Ma Fujun resigned as non-executive director of the Company and Ms. Ng, Yat Wing Athena was appointed as non-executive director of the Company on the same date.

<sup>#</sup> The amounts were paid in HK\$. The RMB amounts were disclosed for presentation only.

<sup>+</sup> On 28 October 2025, Mr. Pang Jinying resigned as executive director and Vice President of the Company.

<sup>\*</sup> Mr. So, Gregory Kam Leung passed away on 13 December 2025. On 1 February 2026, Mr. Tsoi Wing Sing was appointed as independent non-executive director of the Company.

## Notes to Financial Statements (Continued)

31 December 2025

### 9. DIRECTORS' REMUNERATION (Continued)

Notes:

- (a) In prior years, certain directors were granted incentive A-shares of China State Construction Engineering Corporation Limited ("CSCECL, an intermediate holding company of the Company established in the PRC and whose shares are listed on the Shanghai Stock Exchange), in respect of their services to the Group, under the A-share restricted stock incentive plan of CSCECL, further details of which are set out in note 37 to the financial statements. The fair values of such incentive shares, which have been recognised in profit or loss over the vesting periods, were determined as at the respective dates of grant and the amounts included in the financial statements for the prior years are included in the "Salaries, allowances and benefits in kind" in the above directors' remuneration disclosures.
- (b) Executive directors of the Company are entitled to bonus payments with reference to the remuneration policy of the Group and based on individual skills, knowledge, experience, performance and contribution, the overall performance of the Group, the prevailing economic condition and the market trend.
- (c) During each of the years ended 31 December 2025 and 2024, there was no arrangement under which a director waived or agreed to waive any remuneration and no director received any emoluments as inducement to join or upon joining the Company or as compensation for loss of office.

### 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year, disclosed pursuant to Appendix D2.25 of the Listing Rules, included three (2024: two) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the two (2024: three) non-director highest paid employees are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind (note (b))	1,680	2,580
Performance related bonuses	2,120	3,246
Pension scheme contributions	66	101
	<b>3,866</b>	5,927

Disclosure of the number of non-director highest paid employees in accordance with Appendix D2.25(6) of the Listing Rule, whose remuneration fell within the following HK\$ bands is as follows:

	2025	2024
HK\$2,000,001 to HK\$2,500,000	2	3

Notes:

- (a) The above individuals did not receive any emoluments as inducement to join or upon joining the Company or as compensation for loss of office during the years ended 31 December 2025 and 2024.
- (b) In prior years, the above non-director highest paid employees were granted incentive A-shares of CSCECL, in respect of their services to the Group, under the A-shares restricted stock incentive plan of CSCECL, further details of which are set out in note 37 to the financial statements. The fair values of such incentive shares, which have been recognised in profit or loss over the vesting periods, were determined as at the respective dates of grant and the amounts included in the financial statements for the current and prior years are included in the "Salaries, allowances and benefits in kind" in the above non-director highest paid employees' remuneration disclosures.

## Notes to Financial Statements (Continued)

31 December 2025

## 11. INCOME TAX EXPENSES

An analysis of the Group's income tax expenses is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Current:		
Hong Kong	4,946	2,734
Macau	758	459
Chinese Mainland	475,588	476,384
Overprovisions from prior years — Chinese Mainland	(20,547)	—
PRC withholding income tax	56,800	11,651
	<b>517,545</b>	491,228
Deferred (note 34):		
PRC withholding income tax on the unremitted earnings	(20,000)	20,000
Other deferred tax	(47,186)	(20,887)
	<b>(67,186)</b>	(887)
	<b>450,359</b>	490,341

Notes:

## (a) Applicable income tax rates

A summary of applicable income tax rates of the jurisdictions in which the Group has operations during the year is as follows:

	2025 %	2024 %
Chinese Mainland*	25	25
Hong Kong	16.5	16.5
Macau	12	12

\* In accordance with the relevant tax laws and regulations of the PRC, certain subsidiaries of the Group established in Chinese Mainland enjoy preferential corporate income tax rates.

## (b) The PRC withholding income tax is imposed on dividends distributed or expected to be distributed from a PRC subsidiary to the Company at the concession tax rate of 5% (2024: 5%).

## Notes to Financial Statements (Continued)

31 December 2025

### 11. INCOME TAX EXPENSES (Continued)

Notes: (Continued)

- (c) The Group is within the scope of Global Anti-Base Erosion Model Rules of Base Erosion and Profit Shifting (BEPS) 2.0 ("Pillar Two"). The Group has applied the temporary mandatory exception on recognition and disclosure related to deferred tax assets and liabilities arising from Pillar Two. From 1 January 2025, the Group is subject to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong and certain other jurisdictions where a domestic minimum top-up tax has not been implemented. The Group will account for the additional Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2025 in certain jurisdictions in which the Group operates.

The Macau entities of the Group are subject to top-up tax of 15% global minimum rate in excess of applicable income tax rates of those entities with effect from 1 January 2025 in accordance with Pillar Two. Preliminary assessment based on current available information does not indicate any significant impacts to the results and financial position of the Group in respect of the year ended 31 December 2025.

- (d) For certain branches of the subsidiaries of the Group established in Chinese Mainland which are engaged in the provision of property management services (the "PM Branches"), the Group has elected to file combined tax return for the property management entities incorporating assessable profits and tax losses attributable to the PM Branches as well as certain properties which are managed by the PM Branches on a commission basis. As a result of this arrangement, the corporate income tax provision of the Group is affected by the assessable profits and tax losses attributable to the PM Branches on a commission basis. For financial accounting purposes, the Group has made the relevant tax provision based on assessable profits at the applicable tax rates of the PM Branches on a lump sum basis and the commission income.
- (e) A reconciliation of the income tax expenses applicable to profit before tax at the statutory tax rate of the PRC in which the majority of the Group's operations are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Profit before tax	<b>1,827,868</b>	2,016,675
Income tax expenses at the PRC statutory tax rate of 25%	<b>456,967</b>	504,169
Lower tax rates for specific provinces	<b>(23,892)</b>	(36,583)
Effect of withholding tax at 5% on the dividend declared to be distributed by a PRC subsidiary	<b>36,800</b>	31,651
Effect of different tax rates applicable to subsidiaries operating in Hong Kong and Macau	<b>(3,375)</b>	(2,084)
Effect of tax exemptions granted to subsidiaries operating in Macau	<b>(401)</b>	(399)
Profit attributable to a joint venture	<b>(1,753)</b>	(1,498)
Profit attributable to an associate	<b>(51)</b>	(52)
Income not subject to tax	<b>(4,878)</b>	(8,475)
Expenses not deductible for tax	<b>2,131</b>	1,057
Tax losses not recognised	<b>8,573</b>	6,349
Utilisation/recognition of tax losses previously not recognised	<b>(331)</b>	(372)
Over provision in prior years	<b>(20,547)</b>	—
Others	<b>1,116</b>	(3,422)
Income tax expenses for the year at the effective tax rate of 25% (2024: 24% (restated))	<b>450,359</b>	490,341

**Notes to Financial Statements (Continued)**

31 December 2025

**12. EARNINGS PER SHARE**

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of RMB1,366,779,000 (2024: RMB1,514,296,000 (restated)), and the weighted average number of ordinary shares of approximately 3,283,960,000 (2024: 3,284,662,000) outstanding during the year.

No adjustment has been made to the basic earnings per share amount presented for each of the years ended 31 December 2025 and 2024 for a dilution as the Group had no dilutive potential ordinary shares outstanding during these years.

**13. DIVIDENDS**

The dividends paid in 2025 and 2024 were approximately RMB586,420,000 and RMB510,569,000, respectively. A final dividend of HK10.0 cents per share, amounting to a total dividend of approximately RMB289,186,000, in respect of the year ended 31 December 2025 is proposed which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting on 17 June 2026. The financial statements do not reflect this dividend payable.

	Dividends declared/ proposed RMB'000	Dividends paid and recorded in the financial statements	
		2025 RMB'000	2024 RMB'000
<b>2023</b>			
Interim dividend of HK5.5 cents per ordinary share	167,427		
Final dividend of HK8.5 cents per ordinary share	256,680		256,680
	424,107		
<b>2024</b>			
Interim dividend of HK8.5 cents per ordinary share	253,889		253,889
Final dividend of HK9.5 cents per ordinary share	285,708	<b>285,708</b>	
	539,597		
<b>2025</b>			
Interim dividend of HK9.0 cents per ordinary share	270,641	<b>270,641</b>	
Special dividend of HK1.0 cent per ordinary share	30,071	<b>30,071</b>	
Final dividend of HK10.0 cents per ordinary share	289,186		
Total	589,898	<b>586,420</b>	510,569

**Notes to Financial Statements (Continued)**

31 December 2025

**14. PROPERTY, PLANT AND EQUIPMENT**

Year ended 31 December 2025

	Buildings and leasehold improvements RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Furniture, fixtures, and office equipment RMB'000	Total RMB'000
<b>At 1 January 2025 (Restated):</b>					
Cost	82,647	50,970	26,816	168,658	329,091
Accumulated depreciation	(36,679)	(25,528)	(20,525)	(114,550)	(197,282)
Net carrying amount	45,968	25,442	6,291	54,108	131,809
<b>Net carrying amount:</b>					
At 1 January 2025 (Restated)	45,968	25,442	6,291	54,108	131,809
Additions	22,163	19,053	2,425	13,845	57,486
Depreciation provided during the year	(16,109)	(10,177)	(2,136)	(18,427)	(46,849)
Transfers	(2)	20	(43)	(38)	(63)
Disposals	(367)	(305)	(49)	(810)	(1,531)
Exchange realignment	(46)	—	(30)	(288)	(364)
At 31 December 2025	51,607	34,033	6,458	48,390	140,488
<b>At 31 December 2025:</b>					
Cost	104,185	67,989	26,713	174,954	373,841
Accumulated depreciation	(52,578)	(33,956)	(20,255)	(126,564)	(233,353)
Net carrying amount	51,607	34,033	6,458	48,390	140,488

## Notes to Financial Statements (Continued)

31 December 2025

## 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Year ended 31 December 2024 (Restated)

	Buildings and leasehold improvements RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Furniture, fixtures, and office equipment RMB'000	Total RMB'000
<b>At 1 January 2024:</b>					
Cost	52,304	43,861	25,467	156,756	278,388
Accumulated depreciation	(24,824)	(20,687)	(19,142)	(100,741)	(165,394)
Net carrying amount	27,480	23,174	6,325	56,015	112,994
<b>Net carrying amount:</b>					
At 1 January 2024	27,480	23,174	6,325	56,015	112,994
Additions	31,266	11,104	2,176	16,366	60,912
Depreciation provided during the year	(12,489)	(8,190)	(1,916)	(17,629)	(40,224)
Transfers	—	18	(175)	61	(96)
Disposals	(543)	(664)	(155)	(972)	(2,334)
Exchange realignment	254	—	36	267	557
At 31 December 2024	45,968	25,442	6,291	54,108	131,809
<b>At 31 December 2024:</b>					
Cost	82,647	50,970	26,816	168,658	329,091
Accumulated depreciation	(36,679)	(25,528)	(20,525)	(114,550)	(197,282)
Net carrying amount	45,968	25,442	6,291	54,108	131,809

**Notes to Financial Statements (Continued)**

31 December 2025

**15. INVESTMENT PROPERTIES**

	<b>Leased investment properties</b>	<b>Self-owned investment properties</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000
Carrying amount as at 1 January 2024	46,300	128,120	174,420
Fair value loss recognised during the year, net	(11,600)*	(6,705)	(18,305)
Carrying amount as at 31 December 2024 and 1 January 2025	<b>34,700</b>	<b>121,415</b>	<b>156,115</b>
Fair value loss recognised during the year, net	<b>(13,100)*</b>	<b>(6,278)</b>	<b>(19,378)</b>
Carrying amount as at 31 December 2025	<b>21,600</b>	<b>115,137</b>	<b>136,737</b>

\* The amount is included in "Direct operating expenses" in the consolidated statement of profit or loss, which represented the fair value loss of leased investment properties held for subleasing purpose.

Notes:

- (a) The Group's investment properties consist of self-owned offices, retail stores, a swimming pool, a club house, a residential property, car parking spaces and certain right-of-use assets of leased commercial and industrial properties, which are all located in Chinese Mainland. These properties are leased to third parties and related parties under operating leases, further summary details of which are included in note 16(a) to the financial statements.
- (b) The Group's investment properties were revalued on 31 December 2025 based on valuations performed by CHFT Advisory and Appraisal Limited (2024: CHFT Advisory and Appraisal Limited), independent professionally qualified valuers, at RMB136,737,000 (2024: RMB156,115,000) in total. Each year, the Group's finance team reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management of the Group. The senior management has discussions with the valuers on the valuation assumptions and valuation results at least once a year. Also, the finance department would review all major inputs as set out in the valuation report issued by the independent valuers, assess property valuation movements when compared to the prior year valuation report and hold discussions with the independent valuers.

**Notes to Financial Statements (Continued)**

31 December 2025

**15. INVESTMENT PROPERTIES (Continued)**

Notes: (Continued)

(b) (Continued)

***Fair value hierarchy disclosure***

At 31 December 2025, fair value measurements of all the Group's investment properties are using significant unobservable inputs (Level 3 as defined in HKFRS 13). During each of the years ended 31 December 2025 and 2024, there was no transfer into or out of Level 3.

Set out below is a summary of the valuation techniques used and key inputs to the valuation of the Group's investment properties:

Description	Valuation techniques	Significant unobservable inputs	Range of input	
			2025	2024
Offices	Investment approach	Prevailing market rents	<b>RMB47–74 per square metre per month</b>	RMB47–74 per square metre per month
		Reversionary yield	<b>3.5%–4.25%</b>	4.0%–4.75%
Retail stores, a swimming pool and club house	Investment approach	Prevailing market rents	<b>RMB19–142 per square metre per month</b>	RMB17–240 per square metre per month
		Reversionary yield	<b>5.5%–6.0%</b>	5.75%–6.25%
Car parking spaces	Direct comparison	Unit price	<b>RMB97,000–743,000 per car parking space</b>	RMB102,000–772,000 per car parking space
Residential property	Investment approach	Prevailing market rents	<b>RMB32–44 per square metre per month</b>	RMB30–46 per square metre per month
		Reversionary yield	<b>1.5%</b>	1.5%
Leased properties	Discounted cashflow approach	Prevailing market rents	<b>RMB47–256 per square metre per month</b>	RMB48–261 per square metre per month
		Market rent growth	<b>1.0%–2.0%</b>	1.0%–2.0%

The investment approach is applied based on net rental income that can be derived from existing tenancies with due allowance for the reversionary potential of the properties. The direct comparison method is based on comparing the properties to be valued directly with other comparable properties, which have recently been asked/transacted. The discounted cashflow approach method is based on projected rental incomes and converts such rental income to present value by appropriate discount rates. However, given the heterogeneous nature of properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the properties under consideration.

A significant increase (decrease) in the prevailing market rent of investment properties and unit price of car parking spaces in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the reversionary yield in isolation would result in a significant (decrease) increase in the fair value of the investment properties. A significant increase (decrease) in the market rent growth in isolation would result in a significant (decrease) increase in the fair value of the investment properties. Generally, a change in the assumption made for the prevailing market rent is accompanied by a directionally similar change in the rental value and an opposite change in the reversionary yield.

**Notes to Financial Statements (Continued)**

31 December 2025

**16. LEASES****(a) The Group as a lessor**

The Group leases its investment properties (note 15) and certain car parking spaces (inventories) on a temporary basis under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group during the year was RMB17,271,000 (2024: RMB20,771,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its customers are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	9,749	12,989
After one year but within two years	2,907	8,122
After two years but within three years	729	705
After three years but within four years	103	—
<b>Total</b>	<b>13,488</b>	<b>21,816</b>

**(b) The Group as a lessee**

The Group has lease arrangements as a lessee for various items of land, offices, staff quarters and warehouses. Lump sum payments were made upfront to acquire the leased land from the owners with corresponding lease periods, and no ongoing payments will be made under the terms of these land leases. Leases of various offices, staff quarters and warehouses generally have lease terms between 1 and 9 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value.

**Right-of-use assets**

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Buildings RMB'000	Total RMB'000
At 1 January 2024	4,776	52,559	57,335
Additions	—	77,965	77,965
Early termination of lease contracts	—	(4,615)	(4,615)
Depreciation provided during the year	(443)	(46,133)	(46,576)
Exchange realignment	—	574	574
<b>At 31 December 2024 and 1 January 2025</b>	<b>4,333</b>	<b>80,350</b>	<b>84,683</b>
Additions	—	40,638	40,638
Early termination of lease contracts	—	(12,737)	(12,737)
Depreciation provided during the year	(443)	(43,811)	(44,254)
Exchange realignment	—	(648)	(648)
<b>At 31 December 2025</b>	<b>3,890</b>	<b>63,792</b>	<b>67,682</b>

**Notes to Financial Statements (Continued)**

31 December 2025

**16. LEASES (Continued)****(b) The Group as a lessee (Continued)*****Lease liabilities***

The carrying amount of the Group's lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount as at 1 January	122,155	97,273
New leases	40,638	77,965
Accretion of interest recognised during the year	6,154	6,797
Payments	(58,716)	(56,600)
Early termination of lease contracts	(13,608)	(3,881)
Exchange realignment	(687)	601
Carrying amount as at 31 December	95,936	122,155
Portion classified as current liabilities	(54,069)	(53,598)
Non-current portion	41,867	68,557

The maturity analysis of lease liabilities is disclosed in note 45 to the financial statements.

Lease liabilities related to the immediate holding company, fellow subsidiaries and other related companies as at 31 December 2025 amounted to RMB3,418,000 (2024: RMB6,096,000), RMB57,818,000 (2024: RMB66,849,000) and RMB3,217,000 (2024: RMB820,000), respectively.

## Notes to Financial Statements (Continued)

31 December 2025

## 16. LEASES (Continued)

## (b) The Group as a lessee (Continued)

**Other lease information**

The amounts recognised in profit or loss for the year in relation to leases are as follows:

	Notes	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	7	6,154	6,797
Depreciation of right-of-use assets	8	44,254	46,576
Fair value loss of leased investment properties included in direct operating expenses	8	13,100	11,600
Rental expenses relating to short-term leases or low-value assets	8	25,287	22,691
(Gain)/loss on early termination of lease contracts, net	6	(871)	734
<b>Total amount recognised in profit or loss</b>		<b>87,924</b>	<b>88,398</b>

The total cash outflow for leases is disclosed in note 39(b) to the financial statements.

## 17. INTANGIBLE ASSETS

	Self-developed computer software and systems		Other computer software and systems		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)
<b>At 1 January:</b>						
Cost	193,868	140,835	105,450	78,195	299,318	219,030
Accumulated amortisation	(14,537)	(6,084)	(37,162)	(28,284)	(51,699)	(34,368)
Net carrying amount	179,331	134,751	68,288	49,911	247,619	184,662
<b>Net carrying amount:</b>						
At 1 January	179,331	134,751	68,288	49,911	247,619	184,662
Additions	34,226	53,033	28,521	27,255	62,747	80,288
Amortisation provided during the year	(13,732)	(8,453)	(8,636)	(8,878)	(22,368)	(17,331)
At 31 December	199,825	179,331	88,173	68,288	287,998	247,619
<b>At 31 December:</b>						
Cost	228,094	193,868	133,971	105,450	362,065	299,318
Accumulated amortisation	(28,269)	(14,537)	(45,798)	(37,162)	(74,067)	(51,699)
Net carrying amount	199,825	179,331	88,173	68,288	287,998	247,619

## Notes to Financial Statements (Continued)

31 December 2025

## 18. INVESTMENT IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Share of net assets	18,291	20,688

Particulars of the Group's joint venture, which is indirectly held by the Company, are as follows:

Company name	Registered capital	Place of registration/ operation	Proportion of the Group's ownership %	Principal activity
成都城投中海物業管理有限公司	RMB10,000,000	The PRC/ Chinese Mainland	51	Real estate management

In the opinion of the directors of the Company, the joint venture is not material to the Group.

During the year ended 31 December 2025, dividend attributable to the Group amounting to approximately RMB6,861,000 (2024: Nil) was received from the joint venture.

## 19. INVESTMENT IN AN ASSOCIATE

	2025 RMB'000	2024 RMB'000
Share of net assets	549	362

Particulars of the Group's associate, which is indirectly held by the Company, are as follows:

Company name	Registered capital	Place of registration/ operation	Proportion of the Group's ownership %	Principal activity
Windsor Heights Estate Management Company Limited	HK\$100	Hong Kong	25	Real estate management

In the opinion of the directors of the Company, the associate is not material to the Group.

## 20. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Unlisted equity investment, at fair value	3,911	4,125

The above equity investment is classified as a financial asset at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

**Notes to Financial Statements (Continued)**

31 December 2025

**21. INVENTORIES**

	2025 RMB'000	2024 RMB'000
Car parking spaces (notes (a) and (b))	622,279	650,431
Others	2,616	2,366
	<b>624,895</b>	652,797

Notes:

- (a) The car parking spaces are all located in Chinese Mainland and are held for trading.
- (b) During the year, the Group entered into agreements with China Overseas Land & Investment Limited ("COLI", a fellow subsidiary of the Company with its shares listed on the Stock Exchange) for the purchase of right-of-use of certain car parking spaces at total contract amounts of RMB17,568,000 (2024: Nil) inclusive of value-added tax, which constitute continuing connected transactions as defined in chapter 14A of the Listing Rules.

**22. TRADE RECEIVABLES**

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Trade receivables	(a)	3,237,345	2,877,554
Less: Impairment	(b)	(360,581)	(248,268)
		<b>2,876,764</b>	2,629,286

Notes:

- (a) Trade receivables are non-interest bearing and arise from the provision of property management services from properties managed under lump sum basis, value-added services and car parking space trading business. Property management service income from properties managed under lump sum basis is received in accordance with the terms of the relevant property management service agreements and is generally due for payment within 90 days from the issuance of demand notes by the Group. Value-added service income is received in accordance with the terms of the relevant contract agreements, generally within 90 days from the issuance of billings. Car parking space trading income is received in accordance with the terms of the sale and purchase agreement.

The credit terms of the Group's trade receivables are negotiated with and entered into under normal commercial terms with customers of the properties managed under lump sum basis, value-added services and car parking space trading business. The Group does not hold any collateral or other credit enhancements over these balances.

## Notes to Financial Statements (Continued)

31 December 2025

## 22. TRADE RECEIVABLES (Continued)

Notes: (Continued)

(a) (Continued)

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

	2025 RMB'000	2024 RMB'000 (Restated)
Within 1 month	737,682	816,476
1 to 3 months	598,909	588,989
4 to 12 months	974,387	767,948
1 to 2 years	497,995	421,836
Over 2 years	428,372	282,305
	<b>3,237,345</b>	<b>2,877,554</b>

(b) Expected credit losses of trade receivables

The movements in the loss allowance for impairment of trade receivables during the year are as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
At 1 January	248,268	181,499
Impairment recognised during the year, net	120,658	82,511
Written-off	(8,380)	(15,782)
Exchange realignment	35	40
At 31 December	<b>360,581</b>	<b>248,268</b>

An impairment analysis on trade receivables is performed at each reporting date using a provision matrix to measure the expected credit losses. The provision rates are based on the average of historical incurred credit loss experience on each ageing group of trade and retention receivables based on invoice dates. Generally, trade receivables are written off if they are not considered recoverable by the Group and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables under a provision matrix under which the ageing classification of the gross carrying amount is based on the invoice date:

	Within 1 year RMB'000	1-2 years RMB'000	Over 2 years RMB'000	Total RMB'000
<b>At 31 December 2025</b>				
Expected loss rate	2%	16%	56%	11%
Gross carrying amount	2,310,978	497,995	428,372	3,237,345
Expected credit losses	40,891	81,627	238,063	360,581
<b>At 31 December 2024 (Restated)</b>				
Expected loss rate	1%	12%	60%	9%
Gross carrying amount	2,173,413	421,836	282,305	2,877,554
Expected credit losses	29,076	48,887	170,305	248,268

## Notes to Financial Statements (Continued)

31 December 2025

## 23. CONTRACT ASSETS

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000	1 January 2024 RMB'000
Unbilled revenue	(a)	462,077	134,152	15,320
Retention receivables	(b)	16,786	17,751	15,827
Total		478,863	151,903	31,147
Less: Impairment	(d)	(1,496)	(361)	—
		477,367	151,542	31,147

Notes:

- (a) A contract asset, net of the contract liability related to the same contract, is recognised over the period in which the provision of valued-added services is performed, representing the Group's right to consideration for the services performed and not billed because the rights are conditional on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers its contract assets to trade receivables when the billings are issued.

The increase in contract assets in 2025 and 2024 was the result of the increase in the ongoing provision of value-added services at the end of each of the years.

Contract assets as at 31 December 2025 and 2024 are normally expected to be recovered or settled within one year from the end of the reporting period.

- (b) Retention receivables related to revenue earned from the provision of engineering services for which the right to the receipt of consideration for work performed remains conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the service contracts. The retention receivables are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the defect liability period.

The expected timing of recovery or settlement for retention receivables as at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	15,479	5,898
Over one year	1,307	11,853
	16,786	17,751

The Group does not hold any collateral over the balances.

**Notes to Financial Statements (Continued)**

31 December 2025

**23. CONTRACT ASSETS (Continued)**

Notes: (Continued)

- (c) The Group's trading terms and credit policy with customers are disclosed in note 22 to the financial statements.
- (d) The movements in the loss allowance for impairment of contract assets during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	361	—
Impairment recognised during the year	1,135	361
At 31 December	1,496	361

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by credit risk characteristics and the ageing).

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

	2025	2024
Expected credit loss rate	0.3%	0.2%
Gross carrying amount (RMB'000)	478,863	151,903
Expected credit losses (RMB'000)	1,496	361

## Notes to Financial Statements (Continued)

31 December 2025

## 24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000 (Restated)
Prepayments	400,212	461,392
Deposits	169,920	113,553
Payments on behalf of property owners for properties managed on a commission basis, net of provision for expected credit losses (note (a))	150,496	95,299
Payments on behalf of property owners for properties managed on a lump sum basis, sub-contractors and staff	178,823	369,063
Other receivables	221,131	134,579
Total prepayments, deposits and other receivables	1,120,582	1,173,886
Portion classified as current assets	(1,109,003)	(1,157,037)
Non-current portion	11,579	16,849

Notes:

- (a) The balance represented payments made on behalf of property owners for properties managed on a commission basis under certain specific circumstances, including but not limited to payments of centralised procurement costs and transitional arrangements for property management projects with temporary working capital needs. Under the Group's policy, such payments on behalf of property owners must be settled within a set period of time depending on the nature of the payment. The Group did not hold any collateral over these balances.

An analysis of payments on behalf of property owners for properties managed on a commission basis, net of provision for expected credit losses, is as follows:

	2025 RMB'000	2024 RMB'000
Gross payments on behalf of property owners for properties managed on a commission basis	234,564	173,798
Less: Impairment (note (b))	(84,068)	(78,499)
	150,496	95,299

## Notes to Financial Statements (Continued)

31 December 2025

## 24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (b) The movements in the loss allowance for impairment of payments on behalf of property owners for properties managed on a commission basis during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	78,499	66,587
Impairment recognised during the years, net	6,541	12,871
Written-off	(972)	(959)
At 31 December	<b>84,068</b>	78,499

An impairment analysis on payments on behalf of property owners for properties managed on a commission basis is performed at each reporting date by assessing the discounted future cash flows of each relevant property management project estimated by management in determining the recoverability of the amounts receivable by the Group. The discounted future cash flows take into consideration a number of factors, including, among others, past repayment history, existing market conditions and forward-looking estimates on the repayment ability of property owners collectively, at the end of each reporting period, which include estimation on the property management fees, collection rates and operating costs, etc.

- (c) There was no recent history of default and past due amounts for financial assets included in deposits, other receivables and payments on behalf of property owners for properties managed on a lump-sum basis, subcontractors and staff. At 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

## Notes to Financial Statements (Continued)

31 December 2025

## 25. BALANCES DUE FROM RELATED PARTIES

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
<b>Balance due from the immediate holding company</b>			
Trade nature	(a)	1,459	978
<b>Balances due from fellow subsidiaries</b>			
Trade nature	(a)	591,740	694,491
Contract assets	(b)	36,440	26,899
Prepayments	(d)	3,172	8,277
		<b>631,352</b>	729,667
<b>Balances due from other related companies (including joint ventures and associates of fellow subsidiaries)</b>			
<b>Portion classified as current assets :</b>			
Trade nature	(a)	84,104	90,187
Contract assets	(b)	15,120	13,407
Prepayments	(d)	42	598
Non-trade nature	(c)	75,026	—
		<b>174,292</b>	104,192
<b>Portion classified as non-current assets :</b>			
Non-trade nature	(c)	—	75,026
Total balances due from related parties		<b>807,103</b>	909,863

## Notes to Financial Statements (Continued)

31 December 2025

## 25. BALANCES DUE FROM RELATED PARTIES (Continued)

Notes:

- (a) The ageing analysis of the trade nature balances due from related parties as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
<b>Balance due from the immediate holding company</b>		
Within 1 month	1,419	850
1 to 3 months	38	120
Over 3 months	2	8
	<b>1,459</b>	<b>978</b>
<b>Balances due from fellow subsidiaries</b>		
Within 1 month	165,666	298,292
1 to 3 months	78,404	84,011
4 to 12 months	125,386	164,056
1 to 2 years	137,296	106,505
Over 2 years	84,988	41,627
	<b>591,740</b>	<b>694,491</b>
<b>Balances due from other related companies</b>		
Within 1 month	15,059	34,821
1 to 3 months	15,268	7,889
4 to 12 months	21,154	25,959
1 to 2 years	18,534	13,458
Over 2 years	14,089	8,060
	<b>84,104</b>	<b>90,187</b>

The trade nature receivables from the immediate holding company, fellow subsidiaries and other related companies mainly represented property management service income from properties managed on a lump sum basis and value-added service income in the PRC, which are due for payment by the corresponding parties upon the issuance of a demand note. There was no material impairment loss provided against these balances as there was no indicator of higher credit risk on these balances and management considered these receivables were still performing as at 31 December 2025 and 2024.

## Notes to Financial Statements (Continued)

31 December 2025

## 25. BALANCES DUE FROM RELATED PARTIES (Continued)

Notes: (Continued)

(b) Details of contract assets included in balances due from related parties are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000	1 January 2024 RMB'000
Unbilled revenue arising from the provision of value-added services			
– fellow subsidiaries	22,371	5,713	—
– other related companies	7,702	6,618	—
	<b>30,073</b>	12,331	—
Retention receivables arising from the provision of engineering services			
– fellow subsidiaries	14,069	21,186	—
– other related companies	7,418	6,789	—
	<b>21,487</b>	27,975	—
Total	<b>51,560</b>	40,306	—

These balances are contract assets arising from value-added services provided to fellow subsidiaries and other related companies but not yet billed because the rights to receive the consideration are conditional on the acceptance by the customers of the Group.

(c) During the year ended 31 December 2023, a subsidiary of the Group as the lender and a related company of the Group as the borrower entered into a renewal loan agreement to renew a loan of RMB75,026,000 which is unsecured and bears interest at the rate of 4.75% per annum, for a term of three years expiring on 18 October 2026. This transaction constituted a connected transaction as defined in Chapter 14A of the Listing Rules and further details of which are set out in the Company's announcement dated on 26 September 2023. Interest received and receivable from this related company in connection with this loan for the year ended 31 December 2025 amounted to RMB3,362,000 (2024: RMB3,362,000), exclusive of value-added tax.

There was no recent history of default and past due amounts. At 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

(d) Among prepayments to fellow subsidiaries as at 31 December 2025, down payments of RMB127,000 (2024: RMB2,428,000) and Nil (2024: RMB2,016,000) were included for material procurement and supply chain management services and purchase of right-of-use of car parking spaces respectively.

During the year ended 31 December 2025, the Group committed with fellow subsidiaries for material procurement and supply chain management services at a total lump sum amount of RMB635,000 (2024: Nil), inclusive of value-added taxes, which constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

**Notes to Financial Statements (Continued)**

31 December 2025

**26. RESTRICTED BANK DEPOSITS**

As at 31 December 2025, restricted bank deposits of RMB12,827,000 (2024: RMB9,310,000) were held for purpose of meeting short-term cash commitments, including pledge of performance guarantees and others.

**27. CASH AND BANK BALANCES**

	2025 RMB'000	2024 RMB'000 (Restated)
Cash and cash equivalents	3,435,725	2,957,250
Bank deposits with original maturity of over three months	2,835,000	2,875,425
Cash and bank balances	6,270,725	5,832,675

Notes:

- (a) At 31 December 2025, the cash and bank balances of the Group denominated in RMB amounted to RMB6,169,429,000 (2024: RMB5,427,163,000 (restated)). RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.
- (b) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits were made for a period of more than three months, and earn interest at short term time deposit rates ranging from 1.50% to 3.40% (2024: 1.92% to 4.14%) per annum. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default. In the opinion of the directors, the carrying amounts of such deposits were approximately to their fair value as at 31 December 2025.

**28. TRADE PAYABLES**

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

	2025 RMB'000	2024 RMB'000 (Restated)
Within 1 month	904,142	768,905
1 to 3 months	699,238	646,355
4 months to 12 months	807,429	856,934
1 to 2 years	161,025	125,153
Over 2 years	59,227	62,401
	2,631,061	2,459,748

**Notes to Financial Statements (Continued)**

31 December 2025

**29. OTHER PAYABLES AND ACCRUALS**

	2025 RMB'000	2024 RMB'000 (Restated)
Special funds (note)	108,222	92,267
Accrued staff costs	358,547	393,504
Payables for value-added tax and other levies	160,941	74,390
Other payables	148,202	182,766
	<b>775,912</b>	<b>742,927</b>

Note: Amount mainly represents the special maintenance funds held on custody of property owners for future settlement of construction costs for certain properties managed by the Group.

**30. TEMPORARY RECEIPTS FROM PROPERTIES MANAGED**

	2025 RMB'000	2024 RMB'000
Temporary receipts from properties managed:		
— on a commission basis	624,430	666,493
— on a lump sum basis	527,720	525,358
	<b>1,152,150</b>	<b>1,191,851</b>

**31. RECEIPTS IN ADVANCE AND OTHER DEPOSITS**

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Contract liabilities — Receipts in advance	(a)	1,486,791	1,444,983
Various deposits received	(b)	473,899	483,486
		<b>1,960,690</b>	<b>1,928,469</b>

Notes:

(a) Details of contract liabilities are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)	1 January 2024 RMB'000 (Restated)
Receipts in advance from customers	1,486,791	1,444,983	1,224,983

Except for those classified as balances due to fellow subsidiaries and other related companies as set out in note 32 to the financial statements, contract liabilities of the Group represented the advance payments made by customers while the underlying services are yet to be provided in accordance with HKFRS 15.

The increase in contract liabilities in 2025 and 2024 was mainly due to increase in the number of property management projects.

(b) Various deposits received mainly represent security, tender and quality guarantee deposits held by the Group.

## Notes to Financial Statements (Continued)

31 December 2025

## 32. BALANCES DUE TO RELATED PARTIES

The breakdown of amounts due to the related parties and the ageing analysis of trade nature balances due to the related parties as at the end of the reporting period, based on the invoice date, are as follows:

	2025 RMB'000	2024 RMB'000
<b>Balance due to ultimate holding company</b>		
— trade nature		
4 to 12 months	60	—
<b>Balance due to immediate holding company</b>		
— trade nature		
Within 1 month	—	1,149
<b>Balances due to fellow subsidiaries</b>		
— trade nature		
Within 1 month	13,582	4,427
1 to 3 months	7,289	2,838
4 to 12 months	18,143	13,535
1 to 2 years	1,469	2,392
Over 2 years	7,315	6,305
	47,798	29,497
— receipts in advance (note)	7,602	829
	55,400	30,326
<b>Balances due to other related companies (including joint ventures and associates of fellow subsidiaries)</b>		
— trade nature		
Within 1 month	1,194	477
1-3 months	1,944	1,404
4-12 months	2,153	2,117
1-2 years	8,076	6,154
Over 2 years	1,796	4,778
	15,163	14,930
— receipts in advance (note)	6,600	7,370
	21,763	22,300
Total balances due to related parties	77,223	53,775

**Notes to Financial Statements (Continued)**

31 December 2025

**32. BALANCES DUE TO RELATED PARTIES (Continued)**

Note: Details of contract liabilities included in balances due to related parties are as follows:

	<b>31 December 2025 RMB'000</b>	31 December 2024 RMB'000	1 January 2024 RMB'000
Receipts in advance from			
— fellow subsidiaries	7,602	829	5,498
— other related companies	6,600	7,370	10,944
	<b>14,202</b>	<b>8,199</b>	<b>16,442</b>

These balances are contract liabilities arising from the proposed provision of property management services and value-added services to fellow subsidiaries and other related companies while the underlying services are yet to be completed. The balance of contract liabilities depends on cash receipts during the corresponding year. During the year ended 31 December 2025 and 2024, the increase/decrease in contract liabilities of the whole balances due to fellow subsidiaries and other related companies is mainly attributable to the increase in balances relating to property management services in 2025 and the decrease in balances relating to value-added services in 2024 respectively.

Revenue from property management services of RMB805,000 (2024: RMB5,372,000) and RMB5,346,000 (2024: RMB7,801,000) recognised in the current reporting period were included in the balances due to fellow subsidiaries and other related companies as at 1 January 2024, respectively.

**33. BANK BORROWINGS**

	<b>2025 RMB'000</b>	2024 RMB'000
At 1 January	<b>50,000</b>	56,359
Drawdown of bank borrowings	<b>145,472</b>	53,179
Repayment of bank borrowings	<b>(145,472)</b>	(59,538)
At 31 December	<b>50,000</b>	50,000

Note: At 31 December 2025, the Group had unsecured short-term bank borrowing denominated in RMB of RMB50,000,000 (2024: RMB50,000,000), which bear floating interest rate at the PRC Loan Prime Rate minus specific rate. The weighted average effective interest rate was 2.7% per annum during the year ended 31 December 2025 (2024: 3.1%).

## Notes to Financial Statements (Continued)

31 December 2025

## 34. DEFERRED TAX

Net deferred tax assets and liabilities recognised in the consolidated statement of financial position are as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Deferred tax assets	112,717	57,568
Deferred tax liabilities	(10,302)	(22,279)
	<b>102,415</b>	35,289

The movements in deferred tax assets/(liabilities) of the Group, without taking into consideration the offsetting of balances within the same taxation authority, are as follows:

	Tax losses RMB'000	PRC withholding income tax on unremitted earnings RMB'000	Impairment provision for financial assets and contract assets RMB'000	Revaluation of properties and accelerated tax depreciation RMB'000	Provision for unused annual leave RMB'000	Total RMB'000
At 1 January 2024 (Restated)	—	—	62,736	(31,550)	3,164	34,350
Net deferred tax (charged)/credited to profit or loss during the year	—	(20,000)	20,585	947	(645)	887
Exchange realignment	—	—	—	(14)	66	52
At 31 December 2024 and 1 January 2025 (Restated)	—	(20,000)	83,321	(30,617)	2,585	35,289
Net deferred tax credited/(charged) to profit or loss during the year	16,559	20,000	29,760	1,106	(239)	67,186
Exchange realignment	—	—	—	18	(78)	(60)
At 31 December 2025	16,559	—	113,081	(29,493)	2,268	102,415

Notes:

- (a) At 31 December 2025, deferred tax assets have not been recognised in respect of unused tax losses of RMB423,380,000 (2024:RMB389,431,000 (restated)) as they have arisen in the Company and certain subsidiaries that have been loss-making for some time and it is not assured that taxable profits will be available against which such tax losses can be utilised. Out of this amount, tax losses of RMB18,488,000 (2024: RMB7,892,000 (restated)) will expire in one to five years. The remaining tax losses may be carried forward indefinitely without a fixed term.

**Notes to Financial Statements (Continued)**

31 December 2025

**34. DEFERRED TAX (Continued)**

Notes: (Continued)

- (b) Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. For the Group, the applicable tax rate is 5% on dividends distributed by subsidiaries established in the PRC, pursuant to the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》).

At 31 December 2025, no deferred tax (2024: RMB20,000,000) has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC, in the opinion of directors of the Company, it is not probable that these subsidiaries will distribute other unremitted earnings in the foreseeable future and the Company is able to control the timing of the distribution, as well as the reversal of the temporary differences. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately RMB3,429,433,000 (2024: RMB3,702,784,000) as at 31 December 2025.

**35. SHARE CAPITAL**

	2025 RMB'000	2024 RMB'000
Authorised:		
30,000,000,000 ordinary shares of HK\$0.001 each	<b>24,451</b>	24,451

Issued and fully paid:

	Number of ordinary shares of HK\$0.001 each	RMB'000
At 1 January 2024	3,286,860,460	2,679
Shares repurchased and cancelled (Note)	(2,900,000)	(2)
At 31 December 2024, 1 January 2025 and 31 December 2025	<b>3,283,960,460</b>	<b>2,677</b>

Note: During the year ended 31 December 2024, the Company repurchased and cancelled a total of 2,900,000 of its shares listed on the Stock Exchange for an aggregate consideration of HK\$12,362,100 (equivalent to approximately RMB11,482,000), which was paid out of the Company's retained profits in accordance with Cayman Companies Act.

**Notes to Financial Statements (Continued)**

31 December 2025

**36. RESERVES**

- (a) The amounts of the Group's reserves and the movements for the current and prior years are presented in the consolidated statement of changes in equity.
- (b) PRC statutory reserve of the Group represents the general and development fund reserve applicable to subsidiaries which was established in accordance with the relevant PRC regulations.
- (c) Special reserve comprises the differences between (i) the net assets of the entities acquired by the Group under a group reorganisation undertaken in 2015 and other business combinations under common control; and (ii) the considerations paid by the Group for such acquisitions.
- (d) Capital reserve represents capital contribution relating to share-based payments borne by an intermediate holding company.

**37. A-SHARE RESTRICTED STOCK INCENTIVE PLAN**

In the prior years, certain employees of the Group, including certain directors and senior management, were granted incentive shares by CSCECL pursuant to its A-share Restricted Stock Incentive Plan, in respect of their services to the Group. The incentive shares granted were subject to a lock-up period of two year service from the grant date, within which these shares were not transferrable, nor subject to any guarantee, indemnity or pledge. One-third of the incentive shares granted were vested at the beginning of each year starting from the third year since the grant date. Subject to CSCECL's achievement of performance conditions and individual's key performance indicators, the restriction over these shares would be removed, otherwise, CSCECL had constructive obligation to repurchase the incentive shares in cash if the performance conditions of CSCECL or individual's key performance indicators were not achieved.

As at 31 December 2024, the A-share Restricted Stock Incentive Plan (Phase III) was expired, therefore all of the remained outstanding incentive shares were vested. During the year ended 31 December 2024, as the execution of the buyback clause arrangement under the A-share Restricted Stock Incentive Plan (Phase IV), there was a reversal on share-based payment to certain directors, senior management and other employees upon non-achievement of certain performance conditions or individual's key performance indicators, where all of the remained outstanding incentive shares were lapsed. As at 31 December 2024, there were no outstanding incentive shares of CSCECL.

During the year ended 31 December 2024, there was a reversal on share-based payment amounting to RMB2,392,000, which was recognised in profit or loss, with a corresponding debit to equity.

## Notes to Financial Statements (Continued)

31 December 2025

### 38. BUSINESS COMBINATION UNDER COMMON CONTROL

On 24 December 2025, the Group (through its wholly-owned subsidiaries) entered into a capital increase agreement with 中建資產管理有限公司 (China Construction Asset Management Co., Ltd\*) ("CSCAM") (a directly wholly-owned subsidiary of CSCEC), pursuant to which the Group completed contribution of approximately RMB39.0 million in aggregate into 中建物業管理有限公司 (China Construction Property Management Co., Ltd.\*) (the "Target Company") on 29 December 2025, out of which approximately RMB37.8 million and RMB1.2 million was used to increase the registered capital and the capital reserve of the Target Company, respectively, and constitutes a connected transaction under Chapter 14A of Listing Rules. Upon completion of the capital increase of the Target Company, the Group holds 70% of the enlarged equity interest in the Target Company and the Target Company has become a subsidiary of the Group.

\* The English name of the companies are translations from their Chinese names and are for identification purposes only. If there are any inconsistencies, the Chinese names shall prevail.

The Target Company is principally engaged in the provision of property management services and urban supporting facilities management services in Zhangjiakou, Beijing and Huizhou, the Chinese Mainland. Given that the Target Company is ultimately controlled by CSCEC before and after the business combination, this acquisition was accounted for as a business combination under common control using the principle of merger accounting in accordance with AG 5 (Revised) in the preparation of the consolidated financial statements of the Group. Under the principle of merger accounting, the assets and liabilities of the Target Company are consolidated by the Group using the existing book values from the controlling parties' perspective, as if the current structure had been in existence throughout the periods presented.

No amount is recognised in consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of business combination under common control, to the extent of the continuation of the ultimate controlling party's interest.

The consolidated profit or loss and the consolidated other comprehensive income include the results of the Target Company from the earliest date presented or since the date when the Target Company first come under common control of CSCEC, where this is a shorter period.

Inter-company transactions, balances and unrealised gains/losses on transactions between the Target Company and other group companies are eliminated on consolidation.

## Notes to Financial Statements (Continued)

31 December 2025

**38. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)**

The following is a reconciliation of the effect arising from the business combination under common control of the Target Company on the consolidated statement of profit or loss and the consolidated statement of financial position of the Group.

**Consolidated statement of profit or loss****For the year ended 31 December 2024**

	The Group (before business combination under common control) RMB'000	Effects of business combination of the Target Company RMB'000	Consolidated RMB'000
<b>REVENUE</b>	14,023,767	88,777	14,112,544
Direct operating expenses	(11,698,259)	(77,351)	(11,775,610)
<b>GROSS PROFIT</b>	2,325,508	11,426	2,336,934
Other income and gains, net	197,103	3,369	200,472
Fair value loss of self-owned investment properties, net	(6,705)	—	(6,705)
Selling and administrative expenses	(431,367)	(3,890)	(435,257)
Impairment of financial assets and contract assets, net	(72,189)	(4,252)	(76,441)
<b>OPERATING PROFIT</b>	2,012,350	6,653	2,019,003
Finance costs	(8,527)	—	(8,527)
Share of profit of a joint venture	5,993	—	5,993
Share of profit of an associate	206	—	206
<b>PROFIT BEFORE TAX</b>	2,010,022	6,653	2,016,675
Income tax expenses	(488,514)	(1,827)	(490,341)
<b>PROFIT FOR THE YEAR</b>	1,521,508	4,826	1,526,334
<b>ATTRIBUTABLE TO:</b>			
Ordinary equity holders of the Company	1,510,918	3,378	1,514,296
Non-controlling interests	10,590	1,448	12,038
	1,521,508	4,826	1,526,334

## Notes to Financial Statements (Continued)

31 December 2025

## 38. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

## Consolidated statement of financial position

At 31 December 2024

	The Group (before business combination under common control) RMB'000	Effects of business combination of the Target Company RMB'000	Adjustments RMB'000 (Note)	Consolidated RMB'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	129,608	2,201	—	131,809
Investment properties	156,115	—	—	156,115
Right-of-use assets	84,683	—	—	84,683
Intangible assets	247,496	123	—	247,619
Investment in a joint venture	20,688	—	—	20,688
Investment in an associate	362	—	—	362
Equity investment designated at fair value through profit or loss	4,125	—	—	4,125
Due from a related company	75,026	—	—	75,026
Prepayments	16,849	—	—	16,849
Deferred tax assets	53,528	4,040	—	57,568
Total non-current assets	788,480	6,364	—	794,844
<b>CURRENT ASSETS</b>				
Inventories	652,797	—	—	652,797
Trade receivables	2,595,032	34,254	—	2,629,286
Contract assets	151,542	—	—	151,542
Prepayments, deposits and other receivables	1,157,023	14	—	1,157,037
Due from the immediate holding company	978	—	—	978
Due from fellow subsidiaries	742,642	—	(12,975)	729,667
Due from other related companies	104,192	—	—	104,192
Restricted bank deposits	9,310	—	—	9,310
Cash and bank balances	5,803,460	29,215	—	5,832,675
Total current assets	11,216,976	63,483	(12,975)	11,267,484

## Notes to Financial Statements (Continued)

31 December 2025

## 38. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

## Consolidated statement of financial position (Continued)

	The Group (before business combination under common control) RMB'000	Effects of business combination of the Target Company RMB'000	Adjustments RMB'000 (Note)	Consolidated RMB'000
<b>CURRENT LIABILITIES</b>				
Trade payables	2,424,928	47,795	(12,975)	2,459,748
Other payables and accruals	738,391	4,536	—	742,927
Temporary receipts from properties managed	1,191,851	—	—	1,191,851
Receipts in advance and other deposits	1,923,477	4,992	—	1,928,469
Due to the immediate holding company	1,149	—	—	1,149
Due to fellow subsidiaries	30,326	—	—	30,326
Due to other related companies	22,300	—	—	22,300
Income tax payables	304,592	4,759	—	309,351
Bank borrowings	50,000	—	—	50,000
Lease liabilities	53,598	—	—	53,598
Total current liabilities	6,740,612	62,082	(12,975)	6,789,719
Net current assets	4,476,364	1,401	—	4,477,765
Total assets less current liabilities	5,264,844	7,765	—	5,272,609
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	68,557	—	—	68,557
Deferred tax liabilities	22,279	—	—	22,279
Total non-current liabilities	90,836	—	—	90,836
Net assets	5,174,008	7,765	—	5,181,773
<b>EQUITY</b>				
Equity attributable to ordinary equity holders of the Company				
Issued capital	2,677	16,200	(16,200)	2,677
Reserves	5,107,805	(8,435)	2,530	5,101,900
	5,110,482	7,765	(13,670)	5,104,577
Non-controlling interests	63,526	—	13,670	77,196
Total equity	5,174,008	7,765	—	5,181,773

**Notes to Financial Statements (Continued)**

31 December 2025

**38. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)****Consolidated statement of financial position (Continued)**

Note: The adjustments represent adjustments for elimination of inter-company balances, share capital and investment cost. The differences have been accounted for in the special reserve in the consolidated statement of changes in equity. No other significant adjustments were made by the Group during the year to the net assets and net profit or loss of the Target Company as a result of the business combination under common control to achieve consistency of accounting policies.

**39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS****(a) Major non-cash transactions**

Save as disclosed in note 16 regarding early termination of lease contracts and additions of right-of-use assets and lease liabilities, the Group had no major non-cash transactions during the years ended 31 December 2025 and 2024.

**(b) Changes in liabilities arising from financing activities**

	<b>Bank borrowings</b>	<b>Lease liabilities</b>
	RMB'000	RMB'000 (note)
At 1 January 2024	56,359	97,273
Changes from:		
— financing cash inflow	53,179	—
— financing cash outflow	(61,268)	(56,600)
Accrued/accretion of interest expenses	1,730	6,797
Non-cash transactions	—	74,084
Exchange realignment	—	601
<b>At 31 December 2024 and 1 January 2025</b>	<b>50,000</b>	<b>122,155</b>
Changes from:		
— financing cash inflow	<b>145,472</b>	—
— financing cash outflow	<b>(146,775)</b>	<b>(58,716)</b>
Accrued/accretion of interest expenses	<b>1,303</b>	<b>6,154</b>
Non-cash transactions	—	<b>27,030</b>
Exchange realignment	—	<b>(687)</b>
<b>At 31 December 2025</b>	<b>50,000</b>	<b>95,936</b>

Note: The total cash outflow for leases included in the consolidated statement of cash flows within operating activities and financing activities for the year ended 31 December 2025 were RMB25,287,000 (2024: RMB22,691,000) and RMB58,716,000 (2024: RMB56,600,000), respectively.

**Notes to Financial Statements (Continued)**

31 December 2025

**40. CAPITAL COMMITMENTS**

The Group had the following capital commitments as at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
Capital investment into a joint venture	—	2,550
Acquisition of intangible assets	20,021	6,319
	<b>20,021</b>	<b>8,869</b>

**41. CONTINGENT LIABILITIES**

At 31 December 2025, the Group provided (i) counter indemnities to a fellow subsidiary and banks amounting to approximately RMB114,395,000 (2024: RMB76,501,000) and RMB333,258,000 (2024: RMB264,632,000), respectively, for performance guarantees issued by the fellow subsidiary and the banks in respect of certain property management service contracts of the Group; and (ii) guarantees to COLI, China State Construction International Holdings Limited ("CSC") and COGO amounting to RMB50,000,000 (2024: RMB50,000,000), RMB30,000,000 (2024: RMB30,000,000) and RMB20,000,000 (2024: RMB20,000,000), respectively, for tender deposits, performance bonds issued by banks or security deposits on contracts following tender acceptances to ensure contract performance and quality guarantees on settlement, which constituted connected transactions as defined in Chapter 14A of the Listing Rules.

As disclosed in the Company's announcement dated 9 December 2025, the Company continued to provide corporate guarantees to COLI up to an aggregate amount of RMB20.0 million from 1 January 2026 to 31 December 2028.

**42. RELATED PARTY DISCLOSURES**

The table set forth below summarises the name of the major related parties as defined in HKAS 24 (Revised) *Related Party Disclosures* and the nature of their relationship with the Group as at 31 December 2025:

Related Parties	Relationship with the Group
CSCEC	Ultimate holding company
CSCECL	Intermediate holding company
COHL	Immediate holding company
COLI and its subsidiaries	Fellow subsidiaries
CSC and its subsidiaries	Fellow subsidiaries
COGO, and joint ventures and associates of fellow subsidiaries	Other related companies

**Notes to Financial Statements (Continued)**

31 December 2025

**42. RELATED PARTY DISCLOSURES (Continued)****(a) Transactions with related parties**

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties, which also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, during the year:

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
<b>CSCEC and its subsidiaries (exclusive of COHL and its subsidiaries)</b>			
Property management income and value-added service income	(i)	167,662	191,021
Rental expenses paid	(ii)	3,210	4,200
<b>COHL and its subsidiaries (exclusive of COLI, CSC and their subsidiaries)</b>			
Property management income and value-added service income	(i)	13,815	15,553
Rental expenses paid	(ii)	3,070	2,659
<b>COLI, CSC and their subsidiaries (fellow subsidiaries)</b>			
Property management income and value-added service income	(i)	1,224,518	1,371,050
Rental and utility expenses paid	(ii)	184,289	181,030
<b>Other related companies</b>			
Property management income and value-added service income	(i)	240,549	285,199
Rental expenses paid	(ii)	1,097	—

Notes:

- (i) The property management income and value-added service income were based on the rates in accordance with the respective contracts.
- (ii) The rental and utility expenses paid were charged in accordance with the respective tenancy agreements and property management agreements. Certain of the rental expenses paid were in relation to leased investment properties and right-of-use assets, as disclosed in notes 15 and 16, respectively.

**Notes to Financial Statements (Continued)**

31 December 2025

**42. RELATED PARTY DISCLOSURES (Continued)****(b) Performance guarantees**

Details of the performance guarantees given by a fellow subsidiary and the counter indemnities given by the Group in connection with the operations of the Group are disclosed in note 41 to the financial statements.

**(c) Outstanding balances with related parties**

Details of the Group's outstanding balances with related parties are disclosed in notes 25 and 32 to the financial statements.

**(d) Key management personnel compensation**

	2025 RMB'000	2024 RMB'000
Short-term benefits	13,373	14,044
Contributions to pension schemes	251	217
<b>Total compensation paid to key management personnel</b>	<b>13,624</b>	<b>14,261</b>

Further details of directors' emoluments are included in note 9 to the financial statements.

**(e) Transactions with other state-owned entities in Chinese Mainland**

The Group is active in the provision of property management services, value-added services and car parking space trading business in various provinces in the PRC and the Group operates in an economic environment predominated by entities directly or indirectly owned or controlled by the PRC government. In addition, the Group is itself part of a larger group of companies under CSCEC which is controlled by the PRC government. Apart from the transactions already disclosed above, the Group also conducts business with other state-controlled entities ("Other SOEs"), including but not limited to bank deposits and borrowings and utilities consumptions. The directors consider that the transactions with Other SOEs are activities in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the Other SOEs are ultimately controlled or owned by the PRC government. Having due regard to the substance of the relationships, the Company's directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure.

**Notes to Financial Statements (Continued)**

31 December 2025

**43. FINANCIAL INSTRUMENTS BY CATEGORY**

Save as equity investment being designated as equity investment at fair value through profit or loss, as further detailed in note 20 to the financial statements, all financial assets and financial liabilities of the Group as at 31 December 2025 and 2024 were classified as financial assets and financial liabilities at amortised cost.

The carrying amounts of each of the financial assets and financial liabilities as at the end of the reporting period are as follows:

**Financial assets stated at amortised cost**

	2025 RMB'000	2024 RMB'000 (Restated)
Trade receivables	2,876,764	2,629,286
Deposits and other receivables	720,370	712,494
Financial assets included in balances due from related parties	752,329	860,682
Restricted bank deposits	12,827	9,310
Cash and bank balances	6,270,725	5,832,675
	<b>10,633,015</b>	10,044,447

**Financial liabilities stated at amortised cost**

	2025 RMB'000	2024 RMB'000 (Restated)
Trade payables	2,631,061	2,459,748
Financial liabilities included in other payables and accruals	256,424	275,033
Temporary receipts from properties managed	1,152,150	1,191,851
Financial liabilities included in receipts in advances and other deposits	473,899	483,486
Financial liabilities included in balances due to related parties	63,021	45,576
Bank borrowings	50,000	50,000
Lease liabilities	95,936	122,155
	<b>4,722,491</b>	4,627,849

**Notes to Financial Statements (Continued)**

31 December 2025

**43. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)****Financial asset at fair value through profit or loss**

	2025 RMB'000	2024 RMB'000
Designated as such upon initial recognition:		
Equity investment designated at fair value through profit or loss	<b>3,911</b>	4,125

**44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

In the opinion of the directors of the Company, the fair values of the financial assets and financial liabilities which are due to be received or settled within one year approximate to their carrying amounts largely due to the short-term maturities of these financial instruments, and therefore, no disclosure of their fair values is made.

For other non-current financial assets and financial liabilities, in the opinion of the directors of the Company, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values is made.

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise trade receivables, deposits under current assets and current liabilities, other receivables, amounts due from/(to) the ultimate holding company, the immediate holding company, fellow subsidiaries and other related companies, trade payables, other payables and accruals, temporary receipts from properties managed, lease liabilities, bank borrowings, restricted bank deposits and cash and bank balances.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for hedging or speculative purposes.

**Market risk**

The Group's activities expose it primarily to the financial risks of the changes in interest rates.

## Notes to Financial Statements (Continued)

31 December 2025

### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Interest rate risk

The Company's cash flow interest rate risk relates primarily to its variable-rate bank balances amounting to approximately RMB6,270,725,000 (2024: RMB5,832,675,000 (restated)). Management monitors interest rate exposure on a dynamic basis and will consider hedging significant interest rate exposure should the need arise.

Interest rate risk sensitivity analysis is prepared assuming the amount of assets/liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used as it represents management's assessment of the reasonably possible change in interest rates.

If interest rates have been 25 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the year end would increase/decrease by approximately RMB15,677,000 (2024: RMB14,582,000 (restated)). This is mainly attributable to the Group's exposure to cash flow interest rates on its variable-rate bank balances.

#### Foreign currency risk

The Company's dividend receivable/received from PRC subsidiaries are denominated in RMB while the Company's functional currencies is HK\$, hence exposures to exchange rate fluctuation arise. Taking into consideration that RMB is still exposed to fluctuations in the short term but would become stable in the medium term, the foreign exchange risk should be short-term and relatively controllable. Management manages its foreign currency risk by closely reviewing the movements of the foreign currency rates and considers hedging significant foreign currency exposure should the need arise.

#### Credit risk

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under property management services agreements, value-added services agreements and trading of car parking spaces agreements. Credit risk exposure is minimised by the management of the Group through monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable balance at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group had no concentration of credit risk in respect of trade receivables, contract assets with exposure spread over a number of customers, e.g., property owners of the properties managed on a lump sum basis by the Group and customers of value-added services. In order to enhance the timeliness of property management fee and other payments, the Group has undertaken effective measures aimed at boosting the collections of trade receivables and contract assets.

## Notes to Financial Statements (Continued)

31 December 2025

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## Credit risk (Continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024. The amounts presented are gross carrying amounts of financial assets.

## At 31 December 2025

	12-month		Lifetime ECLs			Total RMB'000
	ECLs		ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000		
Trade receivables	—	—	—	3,237,345	3,237,345	
Contract assets	—	—	—	478,863	478,863	
Deposits and other receivables						
— Normal*	569,874	—	—	—	569,874	
— Well covered*	73,905	—	—	—	73,905	
— Not well covered*	—	160,659	—	—	160,659	
Due from the immediate holding company	—	—	—	1,459	1,459	
Due from fellow subsidiaries	—	—	—	591,740	591,740	
Due from other related companies (trade)	—	—	—	84,104	84,104	
Due from other related companies (non-trade)						
— Normal*	75,026	—	—	—	75,026	
Cash and bank balances	6,270,725	—	—	—	6,270,725	
Restricted bank deposits	12,827	—	—	—	12,827	
	<b>7,002,357</b>	<b>160,659</b>	<b>—</b>	<b>4,393,511</b>	<b>11,556,527</b>	

## Notes to Financial Statements (Continued)

31 December 2025

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## Credit risk (Continued)

At 31 December 2024 (Restated)

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables	—	—	—	2,877,554	2,877,554
Contract assets	—	—	—	151,903	151,903
Deposits and other receivables					
— Normal*	617,195	—	—	—	617,195
— Well covered*	51,390	—	—	—	51,390
— Not well covered*	—	122,408	—	—	122,408
Due from the immediate holding company	—	—	—	978	978
Due from fellow subsidiaries	—	—	—	694,491	694,491
Due from other related companies (trade)	—	—	—	90,187	90,187
Due from other related companies (non-trade)					
— Normal*	75,026	—	—	—	75,026
Cash and bank balances	5,832,675	—	—	—	5,832,675
Restricted bank deposits	9,310	—	—	—	9,310
	6,585,596	122,408	—	3,815,113	10,523,117

For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information is disclosed in notes 22 and 23 to the financial statements.

The credit risk of the Group's other financial assets, including amounts due from the immediate holding company, fellow subsidiaries and other related companies and cash and bank balances, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

- \* The credit quality of the deposits and other receivables (other than payments on behalf of property owners for properties managed on a commission basis) and amounts due from other related companies (non-trade) is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. When the net present value of the expected cash inflow in the cash flow forecasts is able to cover the gross carrying amount of payments on behalf of property owners for properties managed on a commission basis, the credit quality of the receivables is considered "well covered". While credit risk of the payments on behalf of property owners for properties managed under a commission basis has increased significantly since initial recognition, the credit quality of them is considered "not well covered" when the net present value of the expected cash inflow in the cash flow forecasts is not able to cover the gross carrying amount of the receivables.

## Notes to Financial Statements (Continued)

31 December 2025

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## Liquidity risk

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

At 31 December 2025, the Group has been granted with undrawn borrowing facilities of RMB1,246,924,000 (2024: RMB894,751,000) in Chinese Mainland, HK\$700,000,000 (equivalent to approximately RMB630,000,000) (2024: HK\$700,000,000 (equivalent to approximately RMB651,000,000)) in Hong Kong. The bank borrowing facilities granted in Chinese Mainland may be drawn at any time in RMB at floating interest rates and the facilities will expire within 1 to 2 years (2024: 1 to 2 years) after the end of the reporting period. The bank borrowing facilities granted in Hong Kong may be drawn at any time in HK\$ at either Hong Kong Inter-bank Offered Rate plus 1.35% per annum (2024: at either Hong Kong Inter-bank Offered Rate plus 1.35% per annum) and the expiry date will be reviewed annually.

The Group has the following borrowings and lease liabilities as at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Bank borrowings	50,000	50,000
Lease liabilities	95,936	122,155
	<b>145,936</b>	172,155
Analysed into:		
Bank borrowings repayable: within one year	50,000	50,000
Lease liabilities:		
Within one year	54,069	53,598
In the second year	27,409	42,816
In the third to fifth year, inclusive	12,529	20,041
Beyond five years	1,929	5,700
	<b>95,936</b>	122,155
Total	<b>145,936</b>	172,155

## Notes to Financial Statements (Continued)

31 December 2025

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

## At 31 December 2025

	Within 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade payables	2,631,061	—	—	—	2,631,061
Other payables	256,424	—	—	—	256,424
Other deposits	473,899	—	—	—	473,899
Temporary receipts from properties managed	1,152,150	—	—	—	1,152,150
Due to the ultimate holding company	60	—	—	—	60
Due to fellow subsidiaries	47,798	—	—	—	47,798
Due to other related companies	15,163	—	—	—	15,163
Bank borrowing	51,028	—	—	—	51,028
Lease liabilities	56,744	26,003	20,556	2,100	105,403
	4,684,327	26,003	20,556	2,100	4,732,986

## At 31 December 2024 (Restated)

	Within 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade payables	2,459,748	—	—	—	2,459,748
Other payables	275,033	—	—	—	275,033
Other deposits	483,486	—	—	—	483,486
Temporary receipts from properties managed	1,191,851	—	—	—	1,191,851
Due to the immediate holding company	1,149	—	—	—	1,149
Due to fellow subsidiaries	29,497	—	—	—	29,497
Due to other related companies	14,930	—	—	—	14,930
Bank borrowing	51,348	—	—	—	51,348
Lease liabilities	63,239	46,347	21,101	6,116	136,803
	4,570,281	46,347	21,101	6,116	4,643,845

**Notes to Financial Statements (Continued)**

31 December 2025

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****Capital management**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of bank balances and cash and equity of the Group, comprising issued share capital, retained profits and other reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company assess budgets of major projects taking into account the provision of funding. Based on the operating budgets, the directors consider the cost of capital and the risks associated with each class of capital, and to maintain or adjust the Group's overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

The Group was in a net cash position as at 31 December 2025 and 2024.

**Fair value estimation**

The table below analyses the Group's financial instruments carried at fair value, by valuation method. 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).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2025 and 2024.

**At 31 December 2025**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Equity investment designated at fair value through profit or loss</b>				
Unlisted equity investment, at fair value	—	—	3,911	3,911

**Notes to Financial Statements (Continued)**

31 December 2025

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****Fair value estimation (Continued)****At 31 December 2024**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Equity investment designated at fair value through profit or loss</b>				
Unlisted equity investment, at fair value	—	—	4,125	4,125

There were no transfers between the levels during the year (2024: Nil).

The following table presents the changes in level 3 instruments for the years ended 31 December 2025 and 2024:

	2025 RMB'000	2024 RMB'000
At 1 January	4,125	—
Addition	—	4,125
Exchange realignment	(214)	—
At 31 December	3,911	4,125

The changes in fair value of the above financial instruments in level 3 were recognised in profit or loss, other than those changes in relation to addition or exchange realignment.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1, which are classified as equity investment designated at fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Market value provided by the issuers as their best estimate of the fair value of the investment.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

**Notes to Financial Statements (Continued)**

31 December 2025

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****Fair value estimation (Continued)**

The unobservable inputs of the valuation include estimated revenue and discount rate by reference to other investments that are substantially the same. Changing unobservable inputs used in the level 3 valuation to reasonable alternative assumptions would not change significantly the fair values recognised.

The fair value of the following financial assets and liabilities approximate to their carrying amounts:

- Trade receivables
- Deposits under current assets and current liabilities
- Other receivables
- Amounts due from/(to) the ultimate holding company, the immediate holding company, fellow subsidiaries and other related companies
- Trade payables
- Other payables and accruals
- Temporary receipts from properties managed
- Lease liabilities
- Bank borrowings
- Restricted bank deposits
- Cash and bank balances

## Notes to Financial Statements (Continued)

31 December 2025

## 46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	69	127
Right-of-use assets	3,162	5,719
Investments in subsidiaries	634,898	384,897
Total non-current assets	638,129	390,743
<b>CURRENT ASSETS</b>		
Prepayments, deposits and other receivables	1,203	2,042
Due from the immediate holding company	2	786
Due from subsidiaries	620,952	185,094
Due from fellow subsidiaries	—	11
Cash and bank balances	27,854	290,069
Total current assets	650,011	478,002
<b>CURRENT LIABILITIES</b>		
Other payables and accruals	11,445	12,736
Due to a subsidiary	—	458,436
Due to fellow subsidiaries	510	483
Due to other related companies	22	20
Income tax payable	65,774	45,000
Lease liabilities	2,551	2,564
Total current liabilities	80,302	519,239
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>569,709</b>	<b>(41,237)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>1,207,838</b>	<b>349,506</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	867	3,532
Net assets	1,206,971	345,974
<b>EQUITY</b>		
Issued capital	2,677	2,677
Reserves (note)	1,204,294	343,297
Total equity	1,206,971	345,974

## Notes to Financial Statements (Continued)

31 December 2025

## 46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

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

	Capital Reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	21,143	(10,254)	398,415	409,304
Profit for the year	—	—	463,984	463,984
<i>Other comprehensive loss for the year:</i>				
Exchange differences on translations of the Company's financial statements	—	(5,550)	—	(5,550)
Total comprehensive (loss)/income for the year	—	(5,550)	463,984	458,434
Capital contribution relating to share-based payments borne by an intermediate holding company	(2,392)	—	—	(2,392)
Shares repurchased and cancelled	—	—	(11,480)	(11,480)
2023 final dividend	—	—	(256,680)	(256,680)
2024 interim dividend	—	—	(253,889)	(253,889)
At 31 December 2024 and 1 January 2025	<b>18,751</b>	<b>(15,804)</b>	<b>340,350</b>	<b>343,297</b>
Profit for the year	—	—	1,464,584	1,464,584
<i>Other comprehensive loss for the year:</i>				
Exchange differences on translations of the Company's financial statements	—	(17,167)	—	(17,167)
Total comprehensive (loss)/income for the year	—	(17,167)	1,464,584	1,447,417
2024 final dividend	—	—	(285,708)	(285,708)
2025 interim dividend	—	—	(270,641)	(270,641)
2025 special dividend	—	—	(30,071)	(30,071)
At 31 December 2025	<b>18,751</b>	<b>(32,971)</b>	<b>1,218,514</b>	<b>1,204,294</b>

## 47. COMPARATIVE AMOUNTS

As detailed in note 38 to the financial statements, as a result of the business combination under common control of the Target Company which has been accounted for using the principle of merger accounting, certain comparative amounts have been restated accordingly.

## 48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

## Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, is set out below:

### Consolidated results

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000 (Restated)	2023 RMB'000 (Restated)	2022 RMB'000	2021 RMB'000
<b>REVENUE</b>	<b>14,959,871</b>	14,112,544	13,090,346	10,899,824	7,799,121
Direct operating expenses	<b>(12,712,593)</b>	(11,775,610)	(11,009,636)	(9,164,314)	(6,443,153)
<b>GROSS PROFIT</b>	<b>2,247,278</b>	2,336,934	2,080,710	1,735,510	1,355,968
Other income and gains, net	<b>136,365</b>	200,472	173,178	160,016	108,900
Fair value loss of self-owned investment properties, net	<b>(6,278)</b>	(6,705)	(6,640)	(2,635)	(1,571)
Selling and administrative expenses	<b>(420,922)</b>	(435,257)	(394,213)	(399,945)	(354,091)
Impairment of financial assets and contract assets, net	<b>(128,334)</b>	(76,441)	(45,440)	(43,412)	(19,446)
<b>OPERATING PROFIT</b>	<b>1,828,109</b>	2,019,003	1,807,595	1,449,534	1,089,760
Finance costs	<b>(7,457)</b>	(8,527)	(6,519)	(12,027)	(2,672)
Share of profit of a joint venture	<b>7,014</b>	5,993	6,281	4,030	1,202
Share of profit of an associate	<b>202</b>	206	188	159	158
<b>PROFIT BEFORE TAX</b>	<b>1,827,868</b>	2,016,675	1,807,545	1,441,696	1,088,448
Income tax expenses	<b>(450,359)</b>	(490,341)	(452,804)	(341,593)	(273,478)
Profit for the year	<b>1,377,509</b>	1,526,334	1,354,741	1,100,103	814,970
<b>ATTRIBUTABLE TO:</b>					
Ordinary equity holders of the Company	<b>1,366,779</b>	1,514,296	1,344,769	1,093,633	812,678
Non-controlling interests	<b>10,730</b>	12,038	9,972	6,470	2,292
	<b>1,377,509</b>	1,526,334	1,354,741	1,100,103	814,970
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>					
Basic and diluted (RMB cents per share)	<b>41.62</b>	46.10	40.91	33.27	24.72

Note: For presentation purpose, the consolidated results for the year ended 31 December 2021 and 2022 were not restated in respect of the acquisition of China Construction Property Management Co., Ltd. (the "Target Company") as the effect was not considered to be material. Thereafter, the consolidated results for the year ended 31 December 2023 and 2024 were restated by including the financial information of the Target Company as if the current group structure had been in existence throughout the periods presented.

## Five-Year Financial Summary (Continued)

## Consolidated financial position

	At 31 December				
	2025 RMB'000	2024 RMB'000 (Restated)	2023 RMB'000 (Restated)	2022 RMB'000	2021 RMB'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	140,488	131,809	112,994	100,358	90,464
Investment properties	136,737	156,115	174,420	184,060	135,660
Right-of-use assets	67,682	84,683	57,335	73,146	65,642
Intangible assets	287,998	247,619	184,662	101,045	48,269
Investment in a joint venture	18,291	20,688	14,695	8,414	4,384
Investment in an associate	549	362	149	290	117
Equity investment designated at fair value through profit or loss	3,911	4,125	—	—	—
Due from a related company	—	75,026	75,026	—	75,026
Prepayments	11,579	16,849	16,260	14,404	21,324
Deferred tax assets	112,717	57,568	47,723	41,049	35,281
	<b>779,952</b>	<b>794,844</b>	<b>683,264</b>	<b>522,766</b>	<b>476,167</b>
<b>CURRENT ASSETS</b>					
Inventories	624,895	652,797	735,645	854,311	759,460
Trade receivables	2,876,764	2,629,286	2,459,325	1,866,250	1,111,737
Contract assets	477,367	151,542	31,147	16,068	14,883
Prepayments, deposits and other receivables	1,109,003	1,157,037	1,003,866	849,154	483,422
Due from the immediate holding company	1,459	978	1,941	1,910	331
Due from fellow subsidiaries	631,352	729,667	486,202	492,381	338,212
Due from other related companies	174,292	104,192	92,789	175,803	93,314
Restricted bank deposits	12,827	9,310	—	—	—
Cash and bank balances	6,270,725	5,832,675	5,137,886	4,128,185	3,478,100
	<b>12,178,684</b>	<b>11,267,484</b>	<b>9,948,801</b>	<b>8,384,062</b>	<b>6,279,459</b>
<b>CURRENT LIABILITIES</b>					
Trade payables	2,631,061	2,459,748	1,996,099	1,334,917	630,507
Other payables and accruals	775,912	742,927	963,817	1,132,676	895,768
Temporary receipts from properties managed	1,152,150	1,191,851	1,282,986	1,294,849	1,253,100
Receipts in advance and other deposits	1,960,690	1,928,469	1,708,509	1,432,211	1,218,652
Due to the ultimate holding company	60	—	—	—	—
Due to the immediate holding company	—	1,149	—	—	880
Due to fellow subsidiaries	55,400	30,326	17,807	35,802	9,191
Due to other related companies	21,763	22,300	31,360	37,741	10,178
Income tax payables	275,021	309,351	284,526	218,553	184,009
Bank borrowings	50,000	50,000	56,359	60,000	—
Lease liabilities	54,069	53,598	42,081	47,236	33,491
	<b>6,976,126</b>	<b>6,789,719</b>	<b>6,383,544</b>	<b>5,593,985</b>	<b>4,235,776</b>
Net current assets	<b>5,202,558</b>	<b>4,477,765</b>	<b>3,565,257</b>	<b>2,790,077</b>	<b>2,043,683</b>
Total assets less current liabilities	<b>5,982,510</b>	<b>5,272,609</b>	<b>4,248,521</b>	<b>3,312,843</b>	<b>2,519,850</b>

## Five-Year Financial Summary (Continued)

## Consolidated financial position (Continued)

	At 31 December				
	2025 RMB'000	2024 RMB'000 (Restated)	2023 RMB'000 (Restated)	2022 RMB'000	2021 RMB'000
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	41,867	68,557	55,192	74,526	26,665
Deferred tax liabilities	10,302	22,279	13,373	14,892	14,555
	52,169	90,836	68,565	89,418	41,220
<b>Net assets</b>	<b>5,930,341</b>	5,181,773	4,179,956	3,223,425	2,478,630
<b>EQUITY</b>					
Equity attributable to ordinary equity holders of the Company					
Issued capital	2,677	2,677	2,679	2,679	2,679
Reserves	5,851,796	5,101,900	4,109,403	3,175,309	2,433,351
	5,854,473	5,104,577	4,112,082	3,177,988	2,436,030
Non-controlling interests	75,868	77,196	67,874	45,437	42,600
<b>TOTAL EQUITY</b>	<b>5,930,341</b>	5,181,773	4,179,956	3,223,425	2,478,630

Note: For presentation purpose, the consolidated net assets at 31 December 2021 and 2022 were not restated in respect of the acquisition of the Target Company as the effect was not considered to be material. Thereafter, the consolidated net assets as at 31 December 2023 and 2024 were restated by including the financial information of Target Company as if the current group structure had been in existence throughout the periods presented.

## PARTICULARS OF MAJOR PROPERTIES & PROPERTY INTERESTS

### (a) Property held for investment

	Usage	Leasehold/ Freehold	Attributable interest %
Level 2, Southern Office Podium, Haili Building, 1018 Wenjin Middle Road, Luohu District, Shenzhen, Guangdong Province, the PRC	Office	Leasehold	100%
26 car parking spaces, Haili Building, 1018 Wenjin Middle Road, Luohu District, Shenzhen, Guangdong Province, the PRC	Carparks	Leasehold	100%
21 car parking spaces, Haibin Plaza, 1040 Fuiqiang Road, Futian District, Shenzhen, Guangdong Province, the PRC	Carparks	Leasehold	100%
94 car parking spaces, Zhonghai Lee Garden, 1070 Nanshan Avenue, Nanshan District, Shenzhen, Guangdong Province, the PRC	Carparks	Leasehold	100%
19 car parking spaces, Zhonghai Jinyuan, 951-961 Binjiang East Road, Haizhu District, Guangzhou, Guangdong Province, the PRC	Carparks	Leasehold	100%
26 car parking spaces, Haixing Plaza, 1 Ruijin South Road, Huangpu District, Shanghai, the PRC	Carparks	Leasehold	100%
Level 2, Eastern & Western Office Podium, Haili Building, 1018 Wenjin Middle Road, Luohu District, Shenzhen, Guangdong Province, the PRC	Office	Leasehold	100%
Unit 2001 on Level 20, 1 Linglan Street, Cannes Garden, Tianhe District, Guangzhou, Guangdong Province, the PRC	Residential	Leasehold	100%

## Particulars of Major Properties &amp; Property Interests (Continued)

## (a) Property held for investment (Continued)

	Usage	Leasehold/ Freehold	Attributable interest %
7 car parking spaces, Cannes Garden, 9 Linglan Street, Tianhe District, Guangzhou, Guangdong Province, the PRC	Carparks	Leasehold	100%
Unit D5 and D6-2 on Level 4, Haixing Plaza 1 Ruijin South Road, Huangpu District, Shanghai, the PRC	Office	Leasehold	100%
Unit C2 on Level 2, Haihua Commercial Building, 8 Dapu Road Huangpu District, Shanghai the PRC	Retails	Leasehold	100%
Units 01 and 02 on Level 1 and Swimming pool on Level -1 & 1, Zhonghai Xinyuan, 23&25 8th Lane of Qinzhou South Road, Xuhui District, Shanghai, the PRC	Retails	Leasehold	100%
Level 7, Citic Mansion, 1 Jianxin South Road, Jiangbei District, Chongqing, the PRC	Office	Leasehold	100%
China Architecture Cultural Centre (Partial) 13 Sanlihe Road, Haidian District, Beijing, the PRC	Commercial	Leasehold	100%
China State Construction Development Building 18 (Partial) 51 Tengfei Boulevard, Qingyang District, Chengdu Province, the PRC	Industrial	Leasehold	100%
Unit 301 52 Haibin South Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	Commercial	Leasehold	100%

## Particulars of Major Properties & Property Interests (Continued)

### (b) Property held as inventories

	Usage	Leasehold/ Freehold	Attributable interest (%)
1,458 car parking spaces located at No. 66, Section 1, Huayang Mei'an Road, Tianfu New District, Chengdu, the PRC	Carparks	Leasehold	100%
191 car parking spaces located at No. 60-3 Zhuyu West Street, Zhongshan District, Dalian, Liaoning Province, the PRC	Carparks	Leasehold	100%
587 car parking spaces located at Zhonghai Jincheng, 1 Haiba East Road, Nanhai District, Foshan, the PRC	Carparks	Leasehold	100%
2,387 car parking spaces located at the North Garden of Glory City, Guangzhou, Guangdong Province, the PRC	Carparks	Leasehold	100%
834 car parking spaces located at Zhonghai Cheng, Yuhong District, Shenyang, the PRC	Carparks	Leasehold	100%
383 car parking spaces located at Zhonghai Jincheng, No. 160 Xijiang Street, Yuhong District, Shenyang City, Liaoning Province, the PRC	Carparks	Leasehold	100%
173 car parking spaces located at Zhonghai Blue Bay, Baotou Street, Shihan District, Huhehaote, the PRC	Carparks	Leasehold	100%
98 car parking spaces located at No. 1118-2, Yishan East Road, Fengman District, Jilin City, Jilin Province, the PRC	Carparks	Leasehold	100%

## Particulars of Major Properties & Property Interests (Continued)

### (b) Property held as inventories (Continued)

	Usage	Leasehold/ Freehold	Attributable interest (%)
32 car parking spaces located at No. 1455 Hengshan East Road, Fengman District, Jilin City, Jilin Province, the PRC	Carparks	Leasehold	100%
140 car parking spaces located at No. 135, Wusong West Road, Yuebei Town, Chuanying District, Jilin City, Jilin Province, the PRC	Carparks	Leasehold	100%
510 car parking spaces located at No. 404, Linyin Road, Changyi District, Jilin City, Jilin Province, the PRC	Carparks	Leasehold	100%
631 car parking spaces located at Zhonghai Sunshine Rose Garden, No. 1699 Huanggu Road, Qingshan Lake District, Nanchang City, Jiangxi Province, the PRC	Carparks	Leasehold	100%
100 car parking spaces located at Zhonghai Markham Hee, No. 9, Guantian Yangyili, Xike Town, Tong'an District, Xiamen, Fujian Province, the PRC	Carparks	Leasehold	100%
78 car parking spaces located at Zhongxin Haibin Garden, Longhu District, Shantou, Guangdong Province, the PRC	Carparks	Leasehold	100%
665 car parking spaces located at Zhonghai Universe, No. 2 Bolan Road, Haojiang District, Shantou, Guangdong Province, the PRC	Carparks	Leasehold	100%
100 car parking spaces located at Xu Riverside Garden, No. 333, Tongjing South Road, Gusu District, Suzhou, the PRC	Carparks	Leasehold	100%

## Particulars of Major Properties & Property Interests (Continued)

### (b) Property held as inventories (Continued)

	Usage	Leasehold/ Freehold	Attributable interest (%)
1,394 car parking spaces located at Sixinli& Wufuli Tianjin, Heiniucheng Road and Dongting Road, Hexi District, Tianjin, the PRC	Carparks	Leasehold	100%
178 car parking spaces located at No. 58, Nanwei Lane, High-tech Industrial Development Zone, Urumqi, Xinjiang Uyghur Autonomous Region, the PRC	Carparks	Leasehold	100%
650 car parking spaces located at Nanhu Avenue, Jingkai District, Wuxi City, Jiangsu Province, the PRC	Carparks	Leasehold	100%
370 car parking spaces located at Zhonghai International Community, No. 919, Zhengyuan South Street, Jinfeng District, Yinchuan, the PRC	Carparks	Leasehold	100%
1,439 car parking spaces located at Zhonghai Universe, Jingkai North District, Changchun, Jilin Province, the PRC	Carparks	Leasehold	100%
50 car parking spaces located at No. 1501 Kuanda Road, Jingkai North District, Changchun, Jilin Province, the PRC	Carparks	Leasehold	100%

**Particulars of Major Properties & Property Interests (Continued)****(b) Property held as inventories (Continued)**

	<b>Usage</b>	<b>Leasehold/ Freehold</b>	<b>Attributable interest (%)</b>
59 car parking spaces located at CITIC Triumph Blue Bank, No. 29, Section 3, Furong South Road, Tianxin District, Changsha, Hunan Province, the PRC	Carparks	Leasehold	100%
38 car parking spaces located at Silver Bay, No. 299 Lovers Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	Carparks	Leasehold	100%
440 car parking spaces located at Zhonghai Cuijingyuan, No. 1909 Longteng Road, Shuimogou District, Urumqi, Xinjiang Uyghur Autonomous Region, the PRC	Carparks	Leasehold	100%

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