



北京京城佳業物業股份有限公司

BEIJING CAPITAL JIAYE PROPERTY SERVICES CO., LIMITED

(於中華人民共和國註冊成立的股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)

股份代號 **Stock Code : 2210**



2025年度報告
Annual Report

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I. Corporation Information

Beijing Capital Jiaye Property Services Co., Limited (“**Capital Jiaye**” or the “**Company**”) was jointly founded by Beijing Urban Construction Group Co., Ltd. (“**BUCG**”, together with its subsidiaries, “**BUCG Group**”) and Beijing Tianjie Group Co., Ltd. (“**Tianjie Group**”), a state-owned company of Dongcheng District in Beijing, on 22 December 2020. Capital Jiaye was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on 10 November 2021 (stock code: 2210.HK) and is held as to 26.44%, 33.47%, 14.24%, 0.85% and 25% by BUCG and its affiliated company Beijing Urban Construction Investment & Development Co., Ltd. (“**BUCID**”), Beijing Uni.-Construction Group Co., Ltd. (“**BUCG**”), Tianjie Group and other holders of H shares, respectively.

Capital Jiaye and its subsidiaries (the “**Group**” or “**we**”) have three principal business segments, namely property management services, value-added services to non-property owners and community value-added services, and actively develop service offerings across the “science, education, culture, health and sports” sectors. As of 31 December 2025, the Group had established a presence in 14 provinces, municipalities and autonomous regions across China, with a total GFA under management exceeding 49.04 million sq.m. The Group’s operations are diversified, spanning administrative offices, universities’ ancillary services, cultural and sports venues, hospital properties, military camps, transportation hubs, high-end commercial properties and residential properties. In addition to the basic services, the value-added services encompass more than 20 offerings, including tenant sourcing and management, heating operations, engineering operations and maintenance, on-site sales support services, catering services, move-in and furnishing and community elderly services.

As a professional company engaging in property services at an earlier time among large state-owned enterprises, the Group has extensive experience in asset management and property services. The Group has developed a sound scientific management mechanism in the operation of commercial property assets and property services, and is a member unit of China Property Management Institute (中國物業管理協會), a vice president institution of the Beijing Property Management Association (北京物業管理行業協會), a member unit of the Listed Companies Association of Beijing (北京上市公司協會) and the subsidiaries are member units of Union International Concierge Organization (國際金鑰匙聯盟). The Company has been recognized as one of “China’s Top 100 Property Management Companies” (中國物業服務百強企業) for consecutive years. During the year, Capital Jiaye ranked 16th among China’s Top 100 Property Management Companies, and was successively awarded titles including Socially Responsible Enterprise, Quality Leader, Customer Satisfaction Leader and Top 100 Service Capability Enterprise by China Index Academy, CRIC Property Management (克而瑞物管) and China Property Management Research Institution. The Group was also awarded the titles of “2025 Top 20 Listed Companies of China Property Management Service” (2025中國物業管理行業上市物企20強), “2025 China Top 100 State-owned Property Service Enterprises by Comprehensive Strength – 9th” (2025中國國有物業服務企業綜合實力100強 – 第9名), “2025 Top 20 Hospital Property Services Companies in China” (2025中國醫院物業服務力TOP20企業), “2025 China’s Top 20 Leading Property Services Enterprise in School Property Services” (2025中國學校物業服務力TOP20企業), “2025 China IFM Service Outstanding Enterprise” (2025中國IFM服務優秀企業) and “2025 Top 10 Branded Property Management Companies in terms of Public Building Properties in Beijing” (2025北京公建物業十大品牌物業服務企業).

The Group actively integrates into national development strategies, steering towards a model defined by regional deepening and specialized services. We are committed to delivering services with greater warmth, achieving higher-quality development, and elevating governance standards, while ensuring a stronger sense of value for shareholders and fulfillment for employees. With unwavering dedication, we strive to realize our vision of becoming a “leading city operator and premier lifestyle service provider in Beijing with a national reputation”, contributing our strength to the creation of a better life in the new era.



I. Corporation Information

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Weize (*Chairman of the Board*)
Mr. Yang Jun
Mr. Luo Zhou

Non-executive Directors

Ms. Jiang Xin
Mr. Mao Lei
Mr. Li Zuoyang

Independent Non-executive Directors

Mr. Cheng Peng
Mr. Kong Weiping
Mr. Kong Chi Mo

BOARD COMMITTEES

Audit Committee

Mr. Kong Chi Mo (*Chairman*)
Mr. Kong Weiping
Ms. Jiang Xin

Remuneration and Evaluation Committee

Mr. Cheng Peng (*Chairman*)
Mr. Kong Weiping
Ms. Jiang Xin

Nomination Committee

Mr. Zhang Weize (*Chairman*)
Mr. Kong Weiping
Mr. Cheng Peng

Strategy and Investment and ESG Committee

Mr. Zhang Weize (*Chairman*)
Mr. Yang Jun
Mr. Luo Zhou
Mr. Mao Lei
Mr. Cheng Peng

Risk and Compliance Management Committee

Mr. Yang Jun (*Chairman*)
Mr. Zhang Weize
Ms. Jiang Xin
Mr. Kong Weiping
Mr. Li Zuoyang

JOINT COMPANY SECRETARIES

Mr. Chen Shuang
Ms. Leung Wing Han Sharon

AUTHORIZED REPRESENTATIVES

Mr. Zhang Weize
Ms. Leung Wing Han Sharon

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance
with Accounting and Financial Reporting Council
Ordinance
8th Floor, Prince's Building, 10 Chater Road, Central,
Hong Kong



I. Corporation Information

LEGAL ADVISERS

As to Hong Kong Law
Zhong Lun Law Firm LLP
4/F, Jardine House, No. 1 Connaught Place, Central,
Hong Kong

As to PRC Law
Beijing Ocean Law Firm
7/F, Building 4, 54 Shijingshan Road, Shijingshan
District, Beijing, PRC

PRINCIPAL BANK

China Construction Bank Beijing Beihuan Branch
1/F, Building A, Chengjian Plaza, 18 North
Taipingzhuang Road, Haidian District, Beijing, PRC

REGISTERED OFFICE

Room 503, Building 8, No. 5 Dongzongbu Hutong,
Dongcheng District, Beijing, the PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

11/F, Building B, Chengjian Plaza, 18 North
Taipingzhuang Road, Haidian District, Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place, 348 Kwun Tong Road, Kowloon,
Hong Kong (*before 10 January 2025*)
Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue,
Causeway Bay, Hong Kong (*officially effective on 10
January 2025*)

H SHARE REGISTRAR

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

INVESTOR RELATIONS

Email: [jcjy@bcjps.com](mailto:jcyj@bcjps.com)

COMPANY'S WEBSITE

www.bcjps.com (*ceased to use from 30 April 2026*)
jps.bucg.com (*officially effective on 27 March 2026*)

STOCK CODE OF HONG KONG STOCK EXCHANGE

02210



II. Financial Summary and Five Year Financial Summary

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended	
	31 December	
	2025	2024
Revenue (RMB million)	2,292.0	1,983.6
Gross profit (RMB million)	318.4	354.1
Gross profit margin	13.9%	17.9%
Profit for the year (RMB million)	51.6	84.6
Net profit margin	2.3%	4.3%
Profit for the year attributable to equity shareholders of the Company (RMB million)	52.0	79.7
Basic earnings per share (RMB)	0.35	0.54
Return on Shareholders' equity (weighted average)	5.7%	9.6%

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2025	2024
Total assets (RMB million)	2,556.9	2,541.4
Cash and cash equivalents (RMB million)	720.2	883.0
Total equity (RMB million)	919.1	899.5



II. Financial Summary and Five Year Financial Summary

RECENT FIVE YEAR FINANCIAL SUMMARY

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	1,224,584	1,567,164	1,829,381	1,983,611	2,292,046
Cost of sales	(951,935)	(1,219,859)	(1,453,000)	(1,629,470)	(1,973,682)
Gross profit	272,649	347,305	376,381	354,141	318,364
Profit for the year	84,147	115,167	115,688	84,629	51,596
Other comprehensive income for the year, net of tax	(1,011)	(18,418)	(10,560)	(9,667)	(9,234)
Total comprehensive income for the year	83,136	96,749	105,128	74,962	42,362
Profit attributable to:					
Equity shareholders of the Company	82,753	114,200	113,594	79,671	51,975
Non-controlling interests	1,394	967	2,094	4,958	(379)
Earnings per share, basic and diluted (RMB)	0.72	0.78	0.77	0.54	0.35
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Assets					
Non-current assets	269,682	299,058	455,571	451,948	512,583
Current assets	1,561,458	1,880,398	1,911,854	2,089,496	2,044,340
Total assets	1,831,140	2,179,456	2,367,425	2,541,444	2,556,923
Equity and liabilities					
Total equity	704,207	782,369	855,211	899,506	919,126
Non-current liabilities	101,152	104,476	122,619	124,772	104,713
Current liabilities	1,025,781	1,292,611	1,389,595	1,517,166	1,533,084
Total liabilities	1,126,933	1,397,087	1,512,214	1,641,938	1,637,797
Total equity and liabilities	1,831,140	2,179,456	2,367,425	2,541,444	2,556,923



III. Management Discussion and Analysis

BUSINESS REVIEW

During the year ended 31 December 2025 (the “**Reporting Period**”), despite a challenging market environment, the Group overcame various difficulties and further expanded its management scale. Total revenue amounted to approximately RMB2,292.0 million, representing a year-on-year increase of approximately 15.5%. Among which, revenue from property management services amounted to approximately RMB1,591.4 million, accounting for approximately 69.4% of total revenue; revenue from value-added services to non-property owners amounted to approximately RMB308.8 million, accounting for approximately 13.5% of total revenue; and revenue from community value-added services amounted to approximately RMB391.8 million, accounting for approximately 17.1% of total revenue. The Group’s operating structure was further optimized. As at the end of the Reporting Period, the gross floor area under management was approximately 49.0 million sq.m. The Company remained committed to expanding into business segments such as universities and colleges, hospitals, transportation hubs and government office buildings, with its competitive advantages steadily strengthening. The Company also continued to enhance service quality and customer satisfaction, and the brand influence has become increasingly prominent. During the Reporting Period, the Company strengthened its collection efforts for trade receivables, effectively curbing the growth momentum of receivables. Expected credit losses on trade receivables and other receivables decreased by approximately 4.3% year-on-year. As of the end of the Reporting Period, the Company’s cash and cash equivalents, together with time deposits, amounted to RMB1,320.2 million, representing a year-on-year increase of approximately 2.9%, thereby further enhancing its ability to mitigate risks.

The Group’s revenue was derived from three main business segments, namely (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

Property management services – accounting for approximately 69.4% of total revenue

During the Reporting Period, the Group’s revenue from property management services amounted to approximately RMB1,591.4 million, representing an increase of approximately 13.8% as compared with the corresponding period in 2024, mainly due to the increase in the area under management and the number of projects under management of the Group.

III. Management Discussion and Analysis



The following table sets forth a breakdown of the area under management and the number of projects under management of the Group by project source for the dates indicated:

Project source	As of 31 December					
	2025		2024		Number of projects under management	
	Area under management sq.m.'000	%	Area under management sq.m.'000	%	Number of projects under management	
BUCG Group and its joint ventures or associates	23,056	47.0	22,509	49.1	141	
Third parties	25,981	53.0	23,360	50.9	141	
Total	49,037	100.0	45,869	100.0	282	

As at the end of the Reporting Period, the area of the Group's projects under management was approximately 49.0 million sq.m., representing an increase of approximately 6.9% as compared with the corresponding period of last year. Of which, the area under management from projects of BUCG Group and its joint ventures or associates was approximately 23.1 million sq.m., while that from third-party projects was approximately 26.0 million sq.m., representing year-on-year increases of approximately 2.4% and 11.2%, respectively. Such growth was mainly attributable to the Group's continued focus on high-quality development. While actively expanding quality projects, the Group also exited inefficient or potentially loss-making projects in a timely manner, thereby maintaining steady growth in its area under management.

During the Reporting Period, the Group recorded newly contracted area of approximately 3.94 million sq.m. and added 38 new fully entrusted property management projects, of which 37 were third-party projects, accounting for approximately 97.4%. This was mainly attributable to the Group's strong efforts in expanding into the external market and its firm commitment to advancing the independent development of its business and brand. The Group actively responded to changes in both internal and external market conditions by integrating market resources and prudently expanding into high-quality assets and flagship projects. At the same time, the Group continuously optimized its product structure and regional market deployment, with a focus on sector specialization and regional markets. By deepening existing operations while actively pursuing new growth opportunities, the Group achieved quality-driven expansion in scale.

III. Management Discussion and Analysis

The following table sets forth a breakdown of the Group's revenue from property management, area under management and number of projects under management by property type for the periods or dates indicated:

Property type	2025					2024				
	Year ended 31 December		As at 31 December		Number of projects under management	Year ended 31 December		As at 31 December		Number of projects under management
	Revenue		Area under management			Revenue		Area under management		
	RMB'000	%	sq.m.'000	%		RMB'000	%	sq.m.'000	%	
Residential properties	662,075	41.6	28,666	58.5	157	561,908	40.2	28,786	62.8	163
Non-residential properties	929,366	58.4	20,370	41.5	129	836,744	59.8	17,083	37.2	119
Total	1,591,441	100.0	49,036	100.0	286	1,398,652	100.0	45,869	100.0	282

As at the end of the Reporting Period, the area of the Group's residential property projects under management amounted to approximately 28.7 million sq.m., remaining broadly stable year-on-year and accounting for approximately 58.5% of the total area under management. During the Reporting Period, revenue from the management services for residential properties amounted to approximately RMB662.1 million, representing a year-on-year increase of approximately 17.8% and accounting for approximately 41.6% of the total revenue from property management services.

As at the end of the Reporting Period, the area of the Group's non-residential property projects under management amounted to approximately 20.4 million sq.m., representing a year-on-year increase of approximately 19.2% and accounting for approximately 41.5% of the total area under management. During the Reporting Period, revenue from the management services of non-residential properties amounted to approximately RMB929.4 million, representing a year-on-year increase of approximately 11.1% and accounting for approximately 58.4% of the total revenue from property management services. This was mainly attributable to the Group's strengthening market competitiveness, the relatively large proportion of revenue contribution from new non-residential projects, and our endeavours to the business diversification adjustments which are bearing fruits.



III. Management Discussion and Analysis

In respect of new business development through market expansion, during the Reporting Period, the Group secured new contracts with an aggregate annualised contract value of approximately RMB566.1 million. Among these, there were 12 fully entrusted projects having new annualised contract amounts exceeding RMB10 million, indicating an increase in high-quality, large-scale projects. The Group continued to consolidate its advantageous business segments in market expansion: (i) University and college property services segment: The Group secured bids from four higher education institutions, namely the University of International Relations, Beijing Institute of Fashion Technology (Tongzhou Campus), and Beijing Institute of Graphic Communication (Main Campus). This brought the cumulative number of universities and colleges under management to 11; (ii) Hospital property services segment: The Group continued to strengthen its presence, winning bids for two tertiary hospitals: Tianjin Rehabilitation and Convalescence Center and Qufu People's Hospital. This increased the cumulative number of Class III-A hospitals under management to five and tertiary general hospitals to one; and (iii) Transportation hub property projects: The Group added new contracts for Beijing Metro Lines 5, 7, 8, 11, 19 and the Batong Line, bringing the cumulative number of metro line property service projects under management to 14. For two consecutive years in 2024 and 2025, the Group was recognised as the “Top 1 Leading Enterprise in Property Service Market Position in the Beijing-Tianjin-Hebei Region” (京津冀區域物業服務市場地位領先企業第一名) in the annual reviews conducted by the China Index Academy.

In respect of service quality and customers' satisfaction, the Group has consistently upheld “quality” as its core competitiveness and a key foundation for long-term development. It focused on upgrading service standards for sectors such as universities and colleges and hospitals, establishing 21 corporate service standards covering 15 business categories. Through organising Artificial Intelligence (“AI”) practical training camps and service capability enhancement programmes, the Group improved the professional service efficiency of its teams. It also participated in the compilation of the Beijing “Residential Property Service Standard” (DB11/T751-2025). The Group continued to increase its special fund allocation for quality improvement, disbursing special funds for assisting old residential communities and innovation management incentive funds. These funds were used to support community environment improvements and facility upgrades, encourage projects to undertake service innovation and management optimisation, enhance service capabilities, and boost customer satisfaction. In 2025, the Group received multiple honours including “China's Property Service Quality Leader” (中國物業服務質量領先企業) and “2025 China's Outstanding State-owned Property Service Enterprise” (2025 中國國有物業服務優秀企業). The Zhu Hua Nian (築華年) Project under its management was selected as a typical case for “Building Beautiful Homes Together” (共建美好家園) in 2025 published by the Beijing Municipal Commission of Housing and Urban-Rural Development, and as a case study for “Improving Property Service Quality in Residential Communities” by the China Property Management Institute. Furthermore, the Group received several awards in the fields of educational property services, urban services, and Integrated Facility Management (IFM) services. The continuously expanding brand premium potential lays a solid foundation for the Group's long-term development value.



III. Management Discussion and Analysis

In respect of the enhancement of operational management and performance, lean operation management was continuously deepened, leading to a steady improvement in operating results. The Group further advanced the “three-tier operational management mechanism”, accurately identifying operational pain points through monthly project reviews, quarterly subsidiary analyses, and annual Group-level analyses, while strengthening cost control and service efficiency. The Group systematically conducted project operational reviews, proactively optimised its project portfolio by exiting low-efficiency and loss-making projects, and concentrated resources on high-value regions and premium business segments to enhance overall profitability. For major projects, a planning and review mechanism was strictly implemented to improve operational efficiency and risk pre-control capabilities. The Group continuously deepened the integration of business and finance, as well as compliance management, to improve the alignment of business and financial data, providing robust support for operational decision-making. Through the systematic advancement of a centralized procurement system, the Group established an information management platform, promoting a more intelligent and transparent procurement process, with initial cost-saving results becoming evident.

In respect of digital development and internal control, the Group adheres to the core philosophy of “customer-centric, technology-enabled, and data-driven”, focusing on improving customer service experience and enhancing internal management efficiency, and further increasing investment in information technology construction. Based on thorough market research and business needs analysis, the Group systematically advanced the construction and application implementation of its digital platform, promoting the in-depth application of information technology in operational processes, quality management, and customer service. During the Reporting Period, the Group’s business-finance integration system underwent iterative upgrades. Building on the integration of the four core modules of business, finance, tax and capital, functions such as bill reminders, online payment, and online invoicing were launched, enhancing the customer service experience. While achieving automated data transmission and intelligent verification, the Group improved data governance, streamlined data logic, significantly increased the property fee collection rate, and strengthened refined data management. Our “Jia Xiang Hui” (佳享薈) platform integrated multiple interfaces and incorporated a visitor management module to improve the service experience. In line with the Company’s strategic layout, a university logistics dormitory management system was established, perfecting the digital layout for this business segment. The Group implemented “robot + AI” applications, and constructed a “human defence + intelligent patrol” system to strengthen park security. It also initiated the construction of a digital intelligence foundation, establishing the Beijing Capital Jiaye Cloud Platform (京城佳業雲平台) to consolidate the foundation for digital development.



III. Management Discussion and Analysis

Value-added services to non-property owners: accounting for approximately 13.5% of total revenue

During the Reporting Period, the Group provided value-added services to non-property owners, including (i) engineering operations and maintenance services; (ii) sales office and display unit management and delivery services; (iii) tenant sourcing and management services; (iv) construction site property and container house leasing services; and (v) other services.

The following table sets forth a breakdown of revenue from value-added services to non-property owners of the Group by service type for the periods indicated:

Service type	Year ended 31 December			
	2025		2024	
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %
Engineering operations and maintenance services	80,317	26.0	66,951	26.4
Sales office and display unit management and delivery services	66,897	21.7	50,343	19.9
Tenant sourcing and management services	53,403	17.3	58,205	23.0
Construction site property and container house leasing services	15,678	5.1	19,338	7.6
Other services	92,479	29.9	58,760	23.1
Total	308,774	100.0	253,597	100.0

During the Reporting Period, the Group's revenue from value-added services for non-property owners amounted to approximately RMB308.8 million, representing a year-on-year increase of approximately 21.8%. This was primarily driven by the expansion of cleaning and hygiene services across multiple business segments, the effective growth of engineering operation and maintenance services, and the acquisition of cleaning service contracts for several projects in Beijing, including multiple subway depots, as well as Qingdao Airport, through market-driven expansion.



III. Management Discussion and Analysis

Engineering operations and maintenance services: During the Reporting Period, the Group's revenue from engineering operations and maintenance services amounted to approximately RMB80.3 million, accounting for approximately 26.0% of the revenue from value-added services to non-property owners, representing a year-on-year increase of approximately 20.0% compared to 2024. The growth was primarily attributable to the continuous increase in the Group's engineering renovation and maintenance management service projects. Beijing Urban Construction Jingtong Engineering Operation and Maintenance Management Co., Ltd. (北京城建京通工程運維管理有限公司), our subsidiary, provided campus door and window replacement services for Beijing University of Technology, which significantly contributed to the increase in revenue from engineering operations and maintenance services. Through market-oriented development, the Group newly expanded 67 engineering operation, maintenance and repair projects, providing services such as renovation, fire safety retrofitting and building repairs for industrial parks and campuses, which have been widely recognised by customers.

Sales office and display unit management and delivery services: During the Reporting Period, the Group's revenue from sales office and display unit management and delivery services amounted to approximately RMB66.9 million, representing a year-on-year increase of approximately 32.9%. This growth was primarily attributable to the expansion of sales office and display unit management services and improved collection efficiency. The Group newly undertook projects such as Haiken Urban Construction Lucheng No.1 (海墾城建鹿城壹號), Shanghai Guoyufu (上海國譽府), and Beijing Guoyusong (北京國譽頌), with the total value of newly signed contracts exceeding RMB10 million. Our services covered 35 projects across various regions including Beijing, Hebei, Shanghai, Sichuan, Chongqing and Hainan. Leveraging its professional capabilities, the Group actively expanded its third-party sales office service business, with the proportion of third-party projects increasing to 20%, reflecting a gradual strengthening of its market-oriented expansion and service capabilities. The Group maintained its competitive edge in areas such as large-scale conference reception and international forum services. During the Reporting Period, the Group, driven by the core objective of enhancing sales office service quality, promoted the comprehensive implementation of the "Sales office Property Service SOP Manual 3.0" on the basis of the "Golden Key" (金鑰匙) service standards, further elevating the standardisation and branding level of its sales office services, and building a higher-standard, more personalised and high-quality sales office service brand.

Tenant sourcing and management services: The Group's revenue from tenant sourcing and management services amounted to approximately RMB53.4 million, accounting for approximately 17.3% of the revenue from value-added services to non-property owners. The operating area was approximately 450,000 sq.m. Leveraging its extensive service experience, industrial layout capabilities and rich customer resources, the Group, through its professional team, empowered assets to maximise their value. Amidst the persistently rising vacancy rate in the office market, the Group's projects under tenant sourcing and management services broadened their marketing channels through diversified market initiatives. Through full life-cycle building management, the Group continuously provided customers with a variety of building activities, established a building ecosystem, and steadily enhanced customer stickiness and satisfaction. As a result, the average occupancy rate of projects under management recorded a steady increase, representing a rise of 6.53 percentage points compared with the same period in 2024.



III. Management Discussion and Analysis

Construction site property and container house leasing services: During the Reporting Period, the Group's revenue from site property and container house leasing services amounted to approximately RMB15.7 million, representing a year-on-year decrease of approximately 18.9%. This was primarily attributable to the decrease in our construction projects as our key projects have been successively completed, as well as the drop in market rent of container houses. In response to these challenges, the Group, on the one hand, focused on service innovation by holding promotion seminars on standardised property services at construction sites to strengthen market penetration, enhancing collaborative development with the BUCG Group's industrial chain, and bolstering business expansion within the internal market. On the other hand, it improved the quality of construction site property services, reduced the turnover cost of container houses, and enhanced its core market competitiveness. In 2025, the Group also newly undertook six key projects, including Pinggu Zhongguancun Science Park (平谷中關村科技園), thereby securing new market growth.

Other Services: During the Reporting Period, the Group's revenue from other services for non-property owners amounted to approximately RMB92.5 million, representing a year-on-year increase of approximately 57.4%. This growth was mainly driven by the expansion of specialised cleaning services in the transportation hub sector, with newly generated revenue of approximately RMB33.7 million from servicing six subway depots in Beijing and Qingdao Airport. While capitalising on our own advantages in service diversification, the Group deeply explored in high-potential segment markets in order to achieve resource concentration and promote vertical development of our special services, thereby further consolidating our market position and strengthening our business competitiveness.

III. Management Discussion and Analysis

Community value-added services: accounting for approximately 17.1% of total revenue

The Group provides community value-added services including (i) heat energy supply services; (ii) catering services; (iii) carpark space operation services; and (iv) other services (including move-in and furnishing services, elderly care services, community retailing, in-house cleaning and maintenance, real estate brokerage services, promotion services, etc.).

The following table sets forth a breakdown of revenue from community value-added services of the Group by service type for the periods indicated:

Service type	Year ended 31 December			
	2025		2024	
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %
Heat energy supply services	142,486	36.4	126,068	38.0
Catering services	91,069	23.2	87,428	26.4
Carpark space operation services	79,330	20.2	75,725	22.9
Other services	78,946	20.2	42,141	12.7
Total	391,831	100.0	331,362	100.0

During the Reporting Period, revenue from the Group's community value-added services amounted to approximately RMB391.8 million, representing an increase of approximately 18.2% as compared to the corresponding period of the previous year, primarily due to the Company's increased promotion of livelihood-related operations under its community value-added services and its gradual exploration of community facility and equipment renewal operations.

Heat energy supply services: During the Reporting Period, the Group realised a revenue of approximately RMB142.5 million, representing a year-on-year increase of approximately 13.0%, primarily attributable to new heating service projects. As at the end of the Reporting Period, the Group undertook a total of 38 projects for heat energy supply services, with an aggregate heating area exceeding 5.28 million sq.m. The Group enhanced its heating capacity through continuous measures such as strengthening equipment maintenance, upgrading technology, and improving management. The Group's heating service coverage spanned the Chaoyang, Haidian, Changping, Fangshan, Daxing and Fengtai districts in Beijing, serving over 41,000 households including residential communities, commercial properties, schools, military units and their family compounds. To better ensure stable heating operations during winter and enhance customer satisfaction while conserving energy, the Group continued to advance its special "winter ailments, summer treatment" (冬病夏治) initiative, carrying out systematic maintenance and upgrades of heating facilities and equipment. Concurrently, the Group adopted an integrated intelligent flue gas waste heat recovery system equipped with a control system and intelligent monitoring platform to maximize heat recovery. These multiple measures further promoted the Group's objectives of energy conservation, emission reduction, and green operations, alongside the smart operation and maintenance of its heat energy supply services.



III. Management Discussion and Analysis

Catering services: During the Reporting Period, the Group realised a revenue of approximately RMB91.1 million, representing a year-on-year increase of approximately 4.2%. As at the end of the Reporting Period, the Group had a total of 28 catering service projects under management. The Group engaged a third-party food safety inspection agency to conduct high-standard supervision and inspection of key procedural and compliance aspects, including food storage, processing hygiene, personnel operations, and cleaning and disinfection, thereby ensuring the safety and compliance of catering operations and further strengthening the food safety baseline of its catering services. During the Reporting Period, the Group continued to promote the integration of the “property + group catering” business format, creating an integrated comprehensive service model through business synergy. Leveraging its full-process supply chain management system and intelligent service upgrades, the Group continuously enhanced its operational efficiency and service quality. Concurrently, it provided clients with customised integrated solutions combining “property services and catering services”, further enriching its service ecosystem and forming a differentiated competitive advantage.

Carpark space operation services and other community value-added service: During the Reporting Period, the Group realised a revenue of approximately RMB158.3 million, representing a year-on-year increase of approximately 34.3%. The growth was primarily attributable to the Group’s intensified promotion of livelihood-related businesses, including in-home repair services, in-home cleaning services, and home improvement services, as well as the expansion into new businesses such as community promotion. The Group also closely monitored the policy trends concerning community elderly care at both the national and Beijing municipal levels, as well as the market performance of health and wellness services. It conducted in-depth research into the needs of community homeowners regarding services such as medical appointment accompaniment, patient care accompaniment, post-discharge care, and health management. Leveraging its synergistic advantages from managing hospital projects, the Group explored entry into the community health and wellness services sector, aiming to meet customer demands while achieving business growth.

III. Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue was derived from three main business segments: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. The following table sets out a breakdown of revenue by service line during the periods indicated:

	Year ended 31 December		2024		Growth rate
	2025	Percentage	Revenue	Percentage	
	Revenue	of revenue	Revenue	of revenue	
	RMB'000	%	RMB'000	%	%
Property management services	1,591,441	69.4	1,398,652	70.5	13.8%
Value-added services to non-property owners	308,774	13.5	253,597	12.8	21.8%
Community value-added services	391,831	17.1	331,362	16.7	18.2%
Total	2,292,046	100.0	1,983,611	100.0	15.5%

During the Reporting Period, the total revenue of the Group was approximately RMB2,292.0 million (2024: approximately RMB1,983.6 million), representing an increase of approximately 15.5% as compared with the same period in 2024, mainly attributable to the increase in revenue resulting from the continued expansion of the Group's management scale.

Cost of Sales

During the Reporting Period, the cost of sales of the Group was approximately RMB1,973.7 million (2024: approximately RMB1,629.5 million), representing an increase of approximately 21.1% as compared with the same period in 2024, primarily due to the consequential increase in the outsourcing cost of the Group as a result of the expansion in the area under management and the increase in the number of projects under management.

III. Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of the gross profit and gross profit margin of the Group by service line during the periods indicated:

	Year ended 31 December					
	2025			2024		
	Gross profit RMB'000	Gross profit ratio %	Gross profit margin %	Gross profit RMB'000	Gross profit ratio %	Gross profit margin %
Property management services	183,290	57.6	11.5	204,448	57.7	14.6
Value-added services to non-property owners	67,048	21.1	21.7	99,498	28.1	39.2
Community value-added services	68,026	21.3	17.4	50,195	14.2	15.1
Total	318,364	100.0	13.9	354,141	100.0	17.9

During the Reporting Period, the Group's gross profit was approximately RMB318.4 million, representing a decrease of approximately 10.1% as compared with approximately RMB354.1 million for the corresponding period in 2024. The gross profit margin of the Group was approximately 13.9%, representing a decrease of approximately 4 percentage points as compared with 17.9% for the corresponding period in 2024. The decline was primarily attributable to: (i) increased investment in preliminary stage and quality maintenances of property management projects to capture market share; (ii) certain limitations on expense settlements due to budget reductions by some property owners; and (iii) higher costs incurred in compliance management and standardised outsourced services in strict accordance with government regulations.

During the Reporting Period, the gross profit margin from the property management services of the Group was approximately 11.5% (2024: approximately 14.6%). The gross profit margin from the value-added services to non-property owners was approximately 21.7% (2024: approximately 39.2%). The gross profit margin from the community value-added services was approximately 17.4% (2024: approximately 15.1%).

Administrative Expenses

During the Reporting Period, the total administrative expenses of the Group were approximately RMB174.1 million, representing a decrease of approximately 5.1% from approximately RMB183.5 million for the year ended 31 December 2024, primarily attributable to a decrease in management remuneration as compared with the year ended 31 December 2024.



III. Management Discussion and Analysis

Other Expense

During the Reporting Period, the Group's other expenses amounted to approximately RMB20.0 million, representing an increase of approximately RMB19.6 million from approximately RMB0.4 million for the year ended 31 December 2024. The increase was primarily attributable to the recognition of an impairment loss on the Group's container housing equipment during the Reporting Period. In addition, the Group, actively fulfilling its social responsibilities as a state-owned enterprise, made a donation of HK\$3.0 million in response to a fire incident at Wang Fuk Court in Tai Po District, Hong Kong to support post-disaster rescue and reconstruction efforts, demonstrating the commitment and strength of a Beijing-based state-owned enterprise through concrete actions.

Profit for the Year

During the Reporting Period, the Group's profit for the year was approximately RMB51.6 million, representing a decrease of approximately 39.0% from approximately RMB84.6 million in the corresponding period in 2024. The profit for the year attributable to equity shareholders of the Group was approximately RMB52.0 million, representing a decrease of approximately 34.8% from approximately RMB79.7 million in the corresponding period in 2024. The decrease in the Group's profit for the year and the profit for the year attributable to equity shareholders of the Group was primarily attributable to (i) the Group's increased investment in the preliminary stage and quality maintenance of the property management projects for gaining market share; and (ii) a significant decrease in the rental rates of container house units, resulting from changes in market demand and cyclical adjustments within the industry. In accordance with the relevant provisions of the International Financial Reporting Standards as issued by the International Accounting Standards Board, the Group recognised impairment losses on the container house assets it holds.

Current Assets and Capital Structure

The Group maintained an excellent financial position and adequate liquidity during the Reporting Period. As at the end of the Reporting Period, the current assets were approximately RMB2,044.3 million, representing a decrease of approximately 2.2% as compared with approximately RMB2,089.5 million as at 31 December 2024. As at 31 December 2025, the current ratio (current assets divided by current liabilities) of the Group was approximately 1.3 (31 December 2024: approximately 1.4).

As at the end of the Reporting Period, the Group's cash and cash equivalents were all denominated in RMB and amounted to approximately RMB720.2 million, representing a decrease of approximately 18.4% as compared with approximately RMB883.0 million as at 31 December 2024, primarily attributable to the allocation by the Group of a portion of idle funds to time deposits with maturity over three months for the purpose of enhancing the utilisation efficiency of its funds.



III. Management Discussion and Analysis

As at the end of the Reporting Period, the total equity of the Group amounted to approximately RMB919.1 million, representing an increase of approximately RMB19.6 million or approximately 2.2% as compared with approximately RMB899.5 million as at 31 December 2024, primarily due to the profit contribution achieved during the Reporting Period.

As at the end of the Reporting Period, the Group's debt-to-asset ratio was approximately 64.1%, representing a decrease of about 0.5 percentage points compared with approximately 64.6% as at 31 December 2024. The debt-to-asset ratio refers to the ratio of total liabilities to total assets.

Property, Plant and Equipment and Right-of-use Assets

The Group's property, plant and equipment and right-of-use assets primarily consist of buildings, properties leased for own use, office and other equipment. As at 31 December 2025, the Group's property, plant and equipment and right-of-use assets amounted to approximately RMB165.6 million, representing a decrease of approximately RMB34.2 million from approximately RMB199.8 million as at 31 December 2024, primarily due to the Group's procurement of office equipment and container houses for business operations, as well as impairment and depreciation of leased assets.

Investment Properties

The Group's investment properties primarily include investment in real estate properties. As at the end of the Reporting Period, the Group's investment properties amounted to approximately RMB105.0 million, representing a decrease of approximately RMB2.5 million as compared with approximately RMB107.5 million as at 31 December 2024, primarily attributable to change in fair value of the Group's investment properties.

Trade and other receivables, and prepayments

As at the end of the Reporting Period, trade and other receivables, and prepayments amounted to approximately RMB810.6 million, representing an increase of approximately RMB13.0 million from approximately RMB797.6 million as at 31 December 2024, primarily due to higher other receivables, including utility and gas fees paid on behalf of clients, arising from business expansion.



III. Management Discussion and Analysis

Other receivables of the Group mainly comprised payments on behalf of customers and deposits paid for the provision of property management services. Other receivables of the Group increased from approximately RMB45.6 million as of 31 December 2024 to approximately RMB61.3 million as at the end of the Reporting Period, primarily due to the increase in bidding deposits for market expansion and the increase in other receivables such as advance payments for utilities and gas fees for business expansion.

Trade and Other Payables

As at the end of the Reporting Period, trade and other payables amounted to approximately RMB1,078.4 million, representing an increase of approximately RMB30.6 million as compared with approximately RMB1,047.8 million as at 31 December 2024, mainly due to the increase in amounts due to third parties.

The Group's other payables primarily consist of housing maintenance funds payable, amounts due to related parties, and renovation and utility deposits received from property owners and tenants. The Group's other payables amounted to approximately RMB446.9 million and RMB419.5 million as of 31 December 2024 and as at the end of the Reporting Period, respectively.

Capital Expenditure

The Group's capital expenditure decreased from approximately RMB17.9 million for the year ended 31 December 2024 to approximately RMB6.7 million during the Reporting Period, primarily due to the payment for the Group's procurement of container houses during the year ended 31 December 2024, which did not recur in the Reporting Period. The Group's capital expenditure was mainly used for the purchase of office equipment and software licences.

Borrowings

As at the end of the Reporting Period, the Group did not have any borrowings or bank loans.



III. Management Discussion and Analysis

Pledge of Assets

As at the end of the Reporting Period, the Group did not have any pledge on its assets.

Significant Investments, Material Acquisitions and Disposals and Future Plans

During the Reporting Period, the Group did not have any significant investments, material acquisitions and disposals.

Except for the expansion plans disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Company’s prospectus dated 29 October 2021 (the “**Prospectus**”) and the announcement of the Company dated 16 December 2024 in relation to change in use of proceeds, there were no significant investments or acquisitions or disposals of capital assets authorised by the Board as of the date of this report, and the Group will continue to identify new opportunities for business development.

The Proceeds from the Listing

The Company’s H shares were successfully listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 November 2021, and 36,667,200 H shares were issued. After deducting underwriting fees and related expenses, the net proceeds from the listing (the “**Proceeds**”) were approximately HK\$246.91 million. The Company intended to use the Proceeds in accordance with the method and schedule set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus (the “**Original Planned Use**”).

As disclosed in the announcement of the Company dated 16 December 2024 (the “**Change in Use of Proceeds Announcement**”), in order for the Group to meet its capital requirements in a more efficient and flexible manner, the Board approved the change in the planned use and allocation of the unutilised Proceeds amounting to approximately HK\$151.73 million as of 16 December 2024 (the “**Revised Use**”). Please refer to the Change in Use of Proceeds Announcement for details regarding the Revised Use of the unutilised Proceeds, and the reasons for and benefits of change in use of Proceeds.

As at the end of the Reporting Period, the Proceeds were used as planned in accordance with the section headed “Future Plans and Use of Proceeds” in the Prospectus (as amended by the Change in Use of Proceeds Announcement). The portion of the Proceeds that had not been used was placed as interest-bearing deposits with domestic bank account for proceeds.

III. Management Discussion and Analysis

As at the end of the Reporting Period, details of the use of the Proceeds were as follows:

The original planned Use of the Proceeds as stated in the Prospectus	The Revised Use of the Unutilised Proceeds as of the date of the Change in Use of Proceeds Announcement	Amount of Proceeds for the Original Planned Use HK\$ million	Unutilised amount of the Proceeds for the Original Use as of 1 January 2024 HK\$ million	Amount of Unutilised Proceeds for the Revised Use as of the date of the Change in Use of Proceeds Announcement HK\$ million	Percentage of revised Unutilised Proceeds as of the date of Change in Use of Proceeds Announcement	Amount of Proceeds that has not been utilised for the Revised Use as of 31 December 2024 HK\$ million	Amount of Proceeds actually utilised for the Revised Use during the Reporting Period HK\$ million	Amount of Proceeds that has not been utilised for the Revised Use as of 31 December 2025 HK\$ million	Expected timeline for fully utilising the Proceeds for the Revised Use
Strategic investment and acquisition	Investments, including strategic acquisitions, joint venture and partnership, and capital increase in subsidiaries	148.15	138.82	91.04	60%	91.04	-	91.04	On or before 31 December 2027
Development of value-added services	Development of value-added services	61.73	11.55	22.76	15%	22.76	10.04	12.72	On or before 31 December 2027
Developing and upgrading the Group's information technology infrastructure and intelligent equipment	Upgrading the Group's digital and intelligent management system	24.69	13.19	22.76	15%	22.76	3.91	18.85	On or before 31 December 2027
Working capital and for general corporate purposes	Working capital and for general corporate purposes	12.35	-	15.17	10%	15.17	15.17	-	On or before 31 December 2027
Total		246.91	163.55	151.73	100%	151.73	29.12	122.61	

Contingent Liabilities

As at the end of the Reporting Period, the Group did not have any material contingent liabilities.

Foreign Exchange Risk

The Group conducts its business in Renminbi. The Group is not expected to be subject to any significant risk relating to fluctuations in exchange rates. The Group currently has not adopted any foreign currency hedging policies. Notwithstanding all these, the Group will continue to keep track of the foreign exchange risk and take prudent measures to mitigate exchange risk, and take appropriate action where necessary.



III. Management Discussion and Analysis

FUTURE PROSPECTS

The year 2026 marks the beginning of the “15th Five-Year Plan” period. It is an important stage for the property industry to deepen its transformation and reshape its value, as well as a crucial strategic opportunity for the Group to build on its momentum and advance further. The Group will adhere to the development philosophy of “stabilising growth, improving quality and efficiency, strengthening services, and building the brand”. Leveraging the geographical advantages of the capital city and relying on the synergistic strengths of BUCG Group’s full industrial chain, as well as utilising its listed platform to integrate internal and external resources, the Group will take high-quality development as its core, service quality enhancement as its foundation, and reform, innovation, and technological empowerment as its support, to drive a profound transformation from “scale expansion” to “value creation”, and comprehensively promote the high-quality development of the enterprise.

First, driving development with strategic goals. Anchored on the strategic objective of becoming a “leading city operator and premier lifestyle service provider in Beijing with a national reputation”, the Group will closely align with the development direction of “core property + value-added businesses”. It will focus on premium non-residential business sectors, such as universities and colleges, hospitals, transportation hubs and government office buildings, deeply cultivating the Beijing regional market and forging core competitiveness in niche segments. The Group will seize the opportunities of urban renewal, cultivate operational service capabilities, and develop and expand its asset management business. It will specialise and refine its core specialized businesses, establish a presence in the IFM market to provide customers with comprehensive service solutions, and expand into new business tracks such as community value-added services and healthcare and wellness, thereby creating a second growth curve.

Second, shaping the brand through service quality. Returning to the essence of service, the Group will focus on enhancing service quality to meet customer needs and improve customer satisfaction, supporting the creation of “good housing, good residential complexes, good communities, and good urban areas” with “excellent service”. Aiming at “stratified service standards, lean resource allocation, visualized business processes, and institutionalized quality supervision”, the Group will optimise and develop the Service Standards Manual, SOP Operations Manual, and Supervision Manual, promoting deeper development of services in a professional, standardised, intelligent, and scenario-based manner. The Group will continue to advance the talent-driven enterprise strategy, establish career development pathways for management, technical, and skilled personnel, and build a high-quality, professional property service team, providing talent support to enhance the reputation of the brand.



III. Management Discussion and Analysis

Third, enhancing efficiency and effectiveness through lean operations. The Group will strengthen headquarters' end-to-end management over the entire project lifecycle and build a project operation system that is corporate-led, clearly defined in responsibilities, unified in standards, standardised in processes, and effective in control. It will establish a coordinated mechanism for investment and planning, moving planning activities forward to the bidding stage. The Group will implement intensive management by building and promoting a centralised procurement platform to effectively reduce procurement costs. It will take multiple measures to reduce accounts receivable, and deepen the special governance of loss-making and inefficient projects.

Fourth, fostering development through reform and innovation. The Group is committed to harnessing momentum from reform and vitality from innovation. It will place greater emphasis on project profitability and healthy cash flow. The Group will deepen organisational reform by further compressing management levels, clearly defining authority and responsibility boundaries, and strengthening the headquarters' strategic support and resource allocation capabilities to achieve lean, penetrating management of projects.

Fifth, empowering business operations through digital transformation. The Group will increase investment in technology and implement the Special IT Planning for the "15th Five-Year Plan" period. The Group will build a smart property management platform covering the entire business process, with a focused effort on key subsystems such as parking control, facility and equipment management, and hospital logistics support. The Group will deepen the application of data within its integrated business-finance systems. Furthermore, the Group will pilot AI technologies in scenarios including intelligent customer service, safety inspections, and energy consumption analysis. By coordinating the development of the "Beijing Capital Jiaye Cloud Platform" and the "Core Business Digital Platform", the Group aims to comprehensively enhance management effectiveness and decision-making efficiency.



IV. Directors and Senior Management

Biographical details of the Directors and senior management of the Company at the date of this annual report are as follows:

DIRECTORS

Mr. Zhang Weize (張偉澤), aged 56, is the chairman of the Board and an executive Director of the Company, and is the secretary to the party committee of the Company. He is responsible for the overall work of the Board and the party committee. Mr. Zhang joined the Company in December 2020 when the Company was incorporated and served in his current positions. Currently, Mr. Zhang serves as the chairman of the Nomination Committee, the chairman of the Strategy and Investment and ESG Committee and a member of the Risk and Compliance Management Committee of the Company. Mr. Zhang has been serving as the vice president of the Beijing Property Management Association since July 2021 and is mainly responsible for assisting the President in discharging his duties.

Prior to joining the Company, Mr. Zhang successively served as a deputy general manager and director of Beijing Construction Engineering International Construction Engineering Co., Ltd.* (北京建工國際建設工程有限責任公司) from July 1992 to March 2011, primarily responsible for managing market development, external operations, overseas regional management, and presiding over the overall work of the African region; served as a deputy secretary to the party committee, director and general manager of Beijing Construction Engineering Design Co., Ltd.* (北京市建築工程設計有限責任公司) from March 2011 to November 2011, primarily responsible for the overall work of the management; served as a deputy general manager of BUCC from September 2011 to December 2020, successively responsible for the marketing, operation and management, production, safety, centralized procurement of materials and equipment, property management and overseas business.

Mr. Zhang graduated from Harbin Civil Engineering Institute (哈爾濱建築工程學院) with a bachelor's degree in July 1992; and graduated from Tsinghua University (清華大學) with a master's degree in senior management business administration in January 2012. He was awarded the qualification of registered cost engineer by the Ministry of Personnel and the Ministry of Construction of the People's Republic of China in October 1998; and was awarded the qualification of professorate senior economist by the Beijing Municipal Bureau of Human Resources and Social Security (北京市人力資源和社會保障局) in October 2020.

Mr. Yang Jun (楊軍), aged 57, is an executive Director, general manager and deputy secretary to the party committee of the Company. He is responsible for the overall business operations of the Group. Mr. Yang joined the Company in December 2020 when the Company was incorporated and served in his current positions. Currently, Mr. Yang also serves as the chairman of the Risk and Compliance Management Committee and a member of the Strategy and Investment and ESG Committee of the Company.

Mr. Yang successively served as the deputy general manager, general manager and chairman of Beijing Urban Construction Group Properties Co., Ltd.* (北京城建置業有限公司), a subsidiary of the Company, from 2003 to 2021, primarily responsible for real estate development, property management and overall work of the company. Mr. Yang has also successively served as the representative of the 15th and 16th Beijing Haidian District People's Congress from December 2011 to November 2021. Prior to joining the Company, Mr. Yang served as the chief engineer and deputy manager in the real estate department of Beijing Urban Construction Engineering Co., Ltd.* (北京城建建設工程有限公司) from July 1991 to October 1998, primarily responsible for project management and operation; served as a project manager in Beijing Urban Construction Real Estate Development Co., Ltd.* (北京城建房地產開發有限公司) from November 1997 to February 2003, primarily responsible for real estate development.



IV. Directors and Senior Management

Mr. Yang graduated from the Capital University of Economics and Business (首都經濟貿易大學) as a postgraduate majoring in regional economics in June 2004; graduated from Beijing Jiaotong University (北京交通大學) with a bachelor's degree of management in business administration in January 2015; and was awarded the qualification of senior engineer by the Evaluation Committee of the Ministry of Land and Resources of the People's Republic of China (中國國土資源部評估委員會) in December 2006.

Mr. Luo Zhou (羅周), aged 53, is an executive Director and deputy general manager of the Company. He is responsible for the strategic development and quality control of the Group. Mr. Luo joined the Company in December 2020 when the Company was incorporated and served in his current positions. Currently, Mr. Luo also serves as a member of the Strategy and Investment and ESG Committee of the Company.

Mr. Luo has served as the director and general manager of Beijing Chengcheng Property Management Co., Ltd.* (北京城承物業管理有限責任公司), a subsidiary of the Company, from March 2007 to November 2012, and has served as the chairman from 2019 to 2021, primarily responsible for the management work of production operation of the company.

Mr. Luo graduated from Beijing University of Technology (北京工業大學) with a bachelor's degree in business management in July 1998; graduated from University of International Business and Economics (對外經濟貿易大學) with a master's degree in business administration in December 2004. Mr. Luo was awarded the qualification of senior economist by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in September 2012; and was awarded the qualification of comprehensive expert by Beijing Property Management Assessment & Supervision Association (北京市物業服務評估監理協會) in October 2020.

Ms. Jiang Xin (蔣鑫), aged 49, is a non-executive Director of the Company. She is responsible for providing advice on the strategic development, system formulation and major operational decisions of the Group. Ms. Jiang served in her current position on 28 October 2022, following consideration and approval at the 2022 second extraordinary general meeting of the Company. Currently, Ms. Jiang also serves as members of the Audit Committee, Remuneration and Evaluation Committee and Risk and Compliance Management Committee of the Company.

Ms. Jiang has served as the deputy director of the corporate management department of BUCG since August 2020, primarily involved in the company's reform and restructuring, organizational and institutional management, and rules and regulations management. From August 2021 to February 2024, Ms. Jiang Xin served as a director of Beijing Urban Construction New Material Co., Ltd.* (北京城建新材料有限公司), a subsidiary of BUCG. From July 1998 to July 2020, Ms. Jiang Xin served successively as an operation member, a publicity member, the director of the office of the managers, and a secretary to the board of the company and deputy general manager of Beijing Urban Construction Road & Bridge Group Co., Ltd.* (北京城建道橋建設集團有限公司).

Ms. Jiang graduated from Lanzhou University in June 1998 with a bachelor's degree in economics majoring in national economic management and graduated from the Chinese University of Hong Kong in June 2014 with a degree of MBA majoring in Business Administration. In November 2008, Ms. Jiang Xin was awarded the qualification of senior economist specialising in business administration by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會).



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Mr. Mao Lei (毛磊), aged 47, is a non-executive Director of the Company. He is responsible for providing advice on the strategic development, system formulation and major operational decisions of the Group. Mr. Mao joined the Company when the Company was incorporated in December 2020 and served in his current position. Currently, Mr. Mao also serves as a member of the Strategy and Investment and ESG Committee of the Company.

Mr. Mao has worked in BUCID since July 2001, and successively served as a deputy director and director of the enterprise development department, primarily responsible for strategic planning, performance evaluation, internal control and planning statistics. He has been serving as a director of Beijing Urban Construction (Hainan) Real Estate Co., Ltd.* (北京城建(海南)地產有限公司), a subsidiary of BUCID, since 29 June 2023, a director of Beijing Urban Construction Xingshun Real Estate Development Co., Ltd. (北京城建興順房地產開發有限公司) and Beijing Urban Construction Xinghe Real Estate Development Co., Ltd. (北京城建興合房地產開發有限公司), all being subsidiaries of BUCID, since January 2024, a director of Beijing Urban Construction Xincheng Investment Development Co., Ltd. (北京城建新城投資開發有限公司), a subsidiary of BUCID, since 4 March 2024, and a director of Beijing Urban Construction Huangshan Investment Development Co., Ltd. (北京城建黃山投資發展有限公司), a subsidiary of BUCID, since 20 December 2024. He was a director of Beijing Urban Construction Xingtong Real Estate Co., Ltd. (北京城建興通置業有限公司), a subsidiary of BUCID, between March 2024 and May 2024, and a director of Beijing Urban Construction Xingyun Real Estate Co., Ltd. (北京城建興雲房地產有限公司), a subsidiary of BUCID, from January 2024 to December 2025.

Mr. Mao graduated from the investment economics department in Central University of Finance and Economics (中央財經大學) with a bachelor's degree in investment economics in June 2001. Mr. Mao was awarded the qualification of senior economist by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in September 2011.

Mr. Li Zuoyang (李作揚), aged 58, is a non-executive Director of the Company. He is responsible for providing advice on the strategic development, system formulation and major operational decisions of the Group. Mr. Li joined the Company in May 2024 and served in his current position. Currently, Mr. Li also serves as a member of the Risk and Compliance Management Committee of the Company.



IV. Directors and Senior Management

Prior to joining the Company, Mr. Li successively served as an employee and manager of First Development Company, a real estate arm of Beijing Uni.-Construction* (北京住總房地產開發部第一開發公司), from July 1990 to December 1997. From December 1997 to December 2001, he successively served as a project manager of the small structure at real estate development department of Beijing Housing Development and Construction Group Corporation* (北京住宅開發建設集團總公司), the general manager of Dalian Binhai Building of Beijing Uni.-Construction* (北京住總大連濱海大廈), and the assistant manager of the development department and project manager of the Qianhe Garden Project* (千鶴家園項目) of BUCC. From December 2001 to December 2004, he served as the assistant manager of the Beijing Uni.-Construction Develop Company* (北京住總開發公司) and the secretary of the party branch at a subsidiary of Beijing Uni.-Construction. From December 2004 to January 2016, he served as a deputy secretary to the party committee, secretary to the party committee, secretary of the discipline inspection committee and deputy general manager of Beijing Uni.-Construction Real Estate Development Co., Ltd.* (北京住總房地產開發有限責任公司). From January 2016 to May 2023, he served as secretary to the party committee and chairman of Beijing Uni.-Construction Real Estate Development Co., Ltd.* (北京住總房地產開發有限責任公司). From May 2023 to December 2023, he served as a secretary to the party committee and chairman of Beijing Uni.-Construction Real Estate Development Co., Ltd., as well as the secretary of the party branch of the urban renewal division of Beijing Uni.-Construction Group Co., Ltd. From December 2023 to May 2024, he served as the assistant to the general manager of Beijing Uni.-Construction Group Co., Ltd., a secretary to the party committee and chairman of Beijing Uni.-Construction Real Estate Development Co., Ltd., as well as the secretary of the party branch of the urban renewal division of Beijing Uni.-Construction Group Co., Ltd. Since May 2024, he has been serving as the assistant to the general manager of Beijing Uni.-Construction Group Co., Ltd. and the secretary of the party branch of the urban renewal division of Beijing Uni.-Construction Group Co., Ltd.

Mr. Li obtained a bachelor's degree in economics from Beijing Economic College (北京經濟學院) in July 1990. In June 2005, he was granted the qualification of Intermediate Political Commissar (中級政工師) by the Committee of Communist Party of China of BUCC.

Mr. Cheng Peng (程鵬), aged 51, is an independent non-executive Director of the Company. He is responsible for providing independent advice and guidance to the Board. Mr. Cheng joined the Company in October 2021, and served in his current position. Currently, Mr. Cheng also serves as the chairman of the Remuneration and Evaluation Committee, members of the Nomination Committee and the Strategy and Investment and ESG Committee of the Company.

From July 1998 to July 2009, he worked as a lecturer and then a deputy professor at the college of management science and information engineering of Jilin University of Finance and Economics (吉林財經大學). From July 2009 to July 2011, he conducted post-doctoral research in management science and engineering at the graduate school of Chinese Academy of Sciences (中國科學院研究生院) (now known as University of Chinese Academy of Sciences (中國科學院大學)). Since July 2011, he has been the deputy professor and professor of the property management department of the school of economics and management of Beijing Forestry University (北京林業大學). He is currently a professor and doctoral supervisor of the department of property management of the school of economic management of Beijing Forestry University (北京林業大學), where he also serves as the head of the department.



IV. Directors and Senior Management

Mr. Cheng obtained his bachelor's degree in economic information management from Jilin University of Finance and Economics (吉林財經大學) in July 1998. He obtained his master's degree in business administration from Jilin University (吉林大學) in June 2005. He obtained his doctor's degree in management science and engineering from Jilin University (吉林大學) in June 2009. Mr. Cheng has been the vice chairman of the Specialized Committee of Industry-University-Research of China Property Management Institute (中國物業管理協會產學研專業委員會) since December 2019. He has been the deputy secretary of the Chinese Association for Science of Science and S&T Policy (中國科學與科技政策研究會) since March 2018. He has been serving as a member of the Specialized Committee of Community Construction of the Science Technology Committee of Ministry of Housing and Urban-Rural Development (住房和城鄉建設部科學技術委員會社區建設專業委員會) since August 2020. Since February 2024, he has been a member of the National Technical Committee for Property Standardization (全國物業標準化技術委員會). He has been the vice chairman of the Specialized Committee of Human Resources of China Property Management Institute (中國物業管理協會人力資源專業委員會) since April 2025.

Since July 2020, Mr. Cheng has also been an independent non-executive director of First Service Holding Limited (第一服務控股有限公司), a company listed on the Hong Kong Stock Exchange, stock code: 02107.

Mr. Kong Weiping (孔偉平), aged 56, is the independent non-executive Director of the Company. He is responsible for providing independent advice and guidance to the Board. Mr. Kong joined the Company in October 2021, and served in his current position. Currently, Mr. Kong also serves as members of the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee and Risk and Compliance Management Committee of the Company.

Mr. Kong has served as an external director of Beijing Tianqiao Zenith Investment Group Co., Ltd.* (北京天橋盛世投資集團有限責任公司) since January 2020; an external director of Beijing Huatian Catering Holdings Group (北京華天飲食控股有限公司) since June 2020; an independent non-executive Director of Beijing Media Corporation Limited (北青傳媒股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 01000) since June 2022; an external director of Beijing Gas Energy Development Co., Ltd. (北京燃氣能源發展有限公司) since April 2024; an independent non-executive director of Tianshan Material Co., Ltd.* (天山材料股份有限公司) (a company listed on Shenzhen Stock Exchange, stock code: 000877) since May 2024; an external director of Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司) since April 2025; an external director of Beijing Innovation Industry Investment Co., Ltd. (北京創新產業投資有限公司) since June 2025. Mr. Kong is currently a partner of Beijing Deheng Law Offices.

Prior to joining the Company, Mr. Kong served as an independent director of SDIC Zhonglu Fruit Juice Co., Ltd. (國投中魯果汁股份有限公司), a company listed on Shanghai Stock Exchange, stock code: 600962, from April 2013 to April 2019; an independent director of Sinomine Resource Group Co., Ltd. (中礦資源集團股份有限公司), a company listed on Shenzhen Stock Exchange, stock code: 002738, from April 2014 to May 2020; an independent director of Zotye Automobile Co., Ltd. (眾泰汽車股份有限公司), a company listed on Shenzhen Stock Exchange, stock code: 000980, from July 2017 to October 2022.

Mr. Kong graduated from the Department of Education of Beijing Normal University (北京師範大學) with a master's degree in education management in July 1996. Mr. Kong currently holds the qualification of lawyer practicing certificate by the Ministry of Justice of the PRC.



IV. Directors and Senior Management

Mr. Kong Chi Mo (江智武), *CESGA®, FSA, FCCA, CPA, FCG, HKFCG, FHKIoD & MHKSI*, aged 50, is an independent non-executive Director of the Company. He is primarily responsible for providing independent advice and guidance to the Board. Mr. Kong joined the Company in October 2021 and served in his current position. Mr. Kong is also the chairman of the Audit Committee of the Board.

Mr. Kong has more than 20 years of experience in accounting and audit, corporate finance, investor relations, company secretarial affairs and corporate governance with an additional concern on enterprise value and sustainability. Mr. Kong currently holds several directorships in listed companies including serving as an independent non-executive director and the chairman of the audit committee of AK Medical Holdings Limited (stock code: 01789), and an independent non-executive director and the chairman of the audit committee of New Hope Service Holdings Limited (stock code: 03658). All of the above-mentioned public companies are listed on the Hong Kong Stock Exchange.

Prior to joining the Company, Mr. Kong started his career as a finance trainee in Hutchison Telecommunications (Hong Kong) Limited, an indirect wholly-owned subsidiary of Hutchison Telecommunications Hong Kong Holdings Limited (stock code: 00215), from June 1997 to March 1998. Mr. Kong worked as a tax associate in PricewaterhouseCoopers, an international accounting firm from March 1998 to October 1999 and worked in KPMG, another international accounting firm from October 1999 to December 2007, during which his last position held in KPMG was audit senior manager. Mr. Kong successively served as an executive director, chief financial officer, company secretary and authorized representative during his employment with China Vanadium Titano-Magnetite Mining Company Limited (stock code: 00893) from May 2008 to March 2020. Mr. Kong served as an independent non-executive director of ZACD Group Ltd. (stock code: 08313) from December 2017 to April 2024. All of the above-mentioned public companies are listed on the Hong Kong Stock Exchange.

Mr. Kong is accredited as (i) a European Federation of Financial Analysts Societies (EFFAS) Certified ESG Analyst, the first internationally recognized ESG Professional Accreditation in Hong Kong and (ii) a Sustainability Accounting Standards Board's (SASB) Fundamentals of Sustainability Accounting Credential Holder.

Aside from the above-mentioned ESG- and sustainability-related qualifications, in aspects of accounting, company secretarial affairs and corporate governance, Mr. Kong is also admitted as (i) a Fellow of the Association of Chartered Certified Accountants (ACCA) in the United Kingdom; (ii) a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants (HKICPA); (iii) a Fellow of both The Chartered Governance Institute (CGI) in the United Kingdom and The Hong Kong Chartered Governance Institute (HKCGI) with the designations of Chartered Secretary and Chartered Governance Professional; (iv) a Fellow of The Hong Kong Institute of Directors (HKIoD); and (v) an Ordinary Member of Hong Kong Securities and Investment Institute (HKSI). Mr. Kong graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration in December 1997.



IV. Directors and Senior Management

SENIOR MANAGEMENT

Please refer to the section “Directors” above for the biographical details of Mr. Yang Jun and Mr. Luo Zhou.

Mr. Yao Xin (姚昕), aged 49, is a deputy general manager of the Company. He is responsible for the operation and safety of the Company. Mr. Yao joined the Company in December 2020 when the Company was incorporated. Mr. Yao served as an executive director of the Company from December 2020 to May 2024.

Mr. Yao served as the secretary to the party committee of Beijing Uni.-Construction Beiyu Property Service Co., Ltd., a subsidiary of the Company from 2013 to 2021, and has successively served as deputy manager, director and chairman of the Board of Directors, primarily responsible for the overall work of the company.

Mr. Yao graduated from Shougang Institute of Technology (首鋼工學院) with a bachelor’s degree in architectural engineering in July 1999; graduated from the Graduate School of the Party School of the Central Committee of Communist Party of China (中共中央黨校研究生院) with a major in party building in July 2015. Mr. Yao was awarded the qualifications of first-class construction engineer and senior economist by Beijing Municipal Bureau of Human Resources and Social Security (北京市人力資源和社會保障局) in March 2010 and December 2020, respectively.

Ms. Xu Yan (徐艷), aged 49, is the deputy general manager of the Company. Ms. Xu joined the Company on 8 August 2022 and served in her current position.

Prior to joining the Company, Ms. Xu served as a teacher at the Beijing Administration for Industry and Commerce School (北京市工商管理學校) from 1998 to 2001; served as a project manager of CCPIT Beijing and Beijing International Economics and Technology Co., Ltd. (北京國際經濟技術公司) from March 2001 to March 2005; served as a class I clerk of the real estate operation department of BUCG from March 2005 to January 2007; served as the director of the operation department of Beijing Urban Construction Group Land Co., Ltd. (北京城建置地公司) from January 2007 to July 2010; served as the deputy manager of Beijing Evergreen International Senior Apartment Co., Ltd. (北京長青國際老年公寓有限公司) from July 2010 to June 2013; served as the deputy manager of the investment and property division of BUCG from June 2013 to August 2016; served as the deputy general manager of Beijing Urban Construction Group Properties Co., Ltd.* and the general manager of Beijing Evergreen International Senior Apartment Co., Ltd. from August 2016 to August 2021; served as the chairman of Beijing Urban Construction Group Properties Co., Ltd.* and the general manager of Beijing Evergreen International Senior Apartment Co., Ltd. (enjoying the head-level treatment (正處級待遇)) since August 2021; and served as an executive director of Beijing Universities Logistics Services Co., Ltd. (北京高校後勤服務有限公司) since May 2024.

Ms. Xu graduated from the Economics and Trade Department, Beijing Technology and Business University with a major in trade economics and received a bachelor’s degree in economics in July 1998. She studied in Regional Economics, School of Economics, Renmin University of China from June 2009 to June 2011. Ms. Xu was awarded the qualification of senior economist specialising in business administration by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in June 2013.



IV. Directors and Senior Management

Mr. Gui Ning (桂寧), aged 53, is the deputy general manager of the Company. Mr. Gui joined the Company in April 2025 and served in his current position.

Prior to joining the Company, Mr. Gui served successively as deputy director of the building materials market department, deputy director of the steel materials market department, director of the manager's office, assistant manager, deputy secretary to the party committee, secretary of the discipline inspection committee and chairman of the labor union at the Materials Company of BUCG Group from August 1994 to November 2019, where he fully participated in the expansion of building materials business, market operation, as well as corporate party affairs, discipline inspection and labor union management. From November 2019 to December 2023, he served as the deputy secretary of the party branch and manager of Beijing Urban Construction New Material Co., Ltd.

Mr. Gui graduated from the School of Materials Science and Engineering of Southeast University with a bachelor's degree in August 1994. In November 2000, he was awarded the intermediate professional title in Materials Economics by the Ministry of Personnel of the People's Republic of China. In February 2006, he obtained the qualification certificate of Corporate Human Resources Manager issued by the Ministry of Labor and Social Security.

Mr. Chen Shuang (陳爽), aged 49, is the deputy general manager, secretary of the Board and joint company secretary of the Company. Mr. Chen joined the Company on 8 August 2022 and has served as the deputy general manager and secretary of the Board since then. He has served as the joint company secretary since 15 March 2023.

Prior to joining the Company, Mr. Chen successively served as the secretary of the Youth League Committee; the secretary and the deputy director of the general manager's office; the secretary of the party branch, the deputy manager and the manager of the commercial real estate division (商業地產事業部); the assistant manager of BUCID from February 2000 to March 2022, primarily responsible for the planning, leasing and operation of the commercial real estate, the daily affairs management of the office, the drafting of comprehensive written materials and the preparation of relevant conferences; served as the secretary of the party branch and the deputy manager of Beijing Urban Construction Chengdu Company (北京城建成都公司) from March 2010 to August 2012, responsible for the Party building, the preparation of conferences of the Board, and the marketing planning and the property management for Chengdu Longyuewan (成都龍樾灣) project; served as the Director and the general manager of Beijing Chengjian Xinghe Real Estate Development Co., Ltd. (北京城建興合房地產開發有限公司), and the Director of Beijing Juntai Real Estate Co., Ltd. (北京駿泰置業有限公司) from November 2017 to March 2022, responsible for the planning, leasing and operation of the commercial real estate; and served as assistant to the general manager of BUCID from March 2022 to August 2022, assisting leaders of the Company to take charge of customer relationship management and administrative security management.

Mr. Chen graduated from School of Economics in Renmin University of China with a bachelor's degree in economics in July 1998; and graduated from Business School of Renmin University of China with a master's degree in business administration in July 2004. Mr. Chen was awarded the qualification of senior economist by Beijing Municipal Bureau of Human Resources and Social Security in October 2009.



IV. Directors and Senior Management

Ms. Li Peng (李鵬), aged 52, is the chief accountant of the Company. Ms. Li joined the Company in December 2020 when the Company was incorporated and served in her current position.

Ms. Li served as a director and chief accountant in Beijing Urban Construction Group Properties Co., Ltd.* (北京城建置業有限公司), a subsidiary of the Company, from May 2020 to December 2023, primarily responsible for the overall financial management of the company.

Ms. Li was awarded the qualification of Chinese Certified Public Accountant by the Certified Public Accountant Examination Committee of the Ministry of Finance of the PRC (中國財政部註冊會計師考試委員會) in May 1997; and was awarded the qualification of senior accountant by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in February 2006.

Ms. Ma Suyan (馬素艷), aged 53, has served as the general counsel of the Company since February 2021.

Prior to joining the Company, Ms. Ma has worked in the department of the legal affairs of BUCG since 2011.

Ms. Ma was awarded the legal practicing qualification by the Ministry of Justice in February 2005; was issued the qualification of corporate legal counsel issued by the Ministry of Human Resources and Social Security of Beijing (北京市人力資源和社會保障部) in October 2012; and was awarded the qualification of senior economist by the Ministry of Human Resources and Social Security of Beijing in November 2022.

JOINT COMPANY SECRETARIES

Mr. Chen Shuang (陳爽), has served as the joint company secretary of the Company since 15 March 2023, please refer to “Senior Management” above for his biographical details.

Ms. Leung Wing Han Sharon (梁穎嫻), has served as the joint company secretary of the Company since 25 September 2024. Ms. Leung is a director of Company Secretarial Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Leung is a Chartered Secretary, a Chartered Governance Professional, a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, as well as a member of The Hong Kong Institute of Certified Public Accountants. She has over 19 years of experience in company secretarial practice.



V. Corporate Governance Report

The Board hereby presents this corporate governance report for the Reporting Period.

CORPORATE GOVERNANCE STRUCTURE

The Board is committed to maintaining high standards of corporate governance and believes that good corporate governance is essential to the Company's sustainable development and healthy business growth. We safeguard the interests of the Shareholders and enhance corporate value through robust corporate governance.

The Company's general meeting, the Board, and each special committee under the Board have established a clear governance structure under the relevant laws, the articles of association of the Company (the "**Articles of Association**"), and their respective working rules. The Board and the five special committees under the Board perform their respective duties and work in collaboration and under adequate supervision to continuously improve the Company's corporate governance and form an excellent corporate governance structure. The Company ensures the regular operation under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**") through this governance structure.

The Company has adopted the code provisions (the "**Code Provision**") in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as its code of corporate governance. The major amendments to the CG Code include: alignment of the Company's culture with its purpose, values and strategy, establishment of anti-corruption and whistleblowing policies, Board independence and its diversity, communication with Shareholders, and the simultaneous publication of environmental, social and governance reports and the annual report, etc. To strengthen and enhance the highest level of corporate governance practices and conduct, the Company has adopted and complied with all applicable Code Provisions in the CG Code during the year.

During the Reporting Period, according to the Company Law promulgated on 29 December 2023 and formally implemented on 1 July 2024 and the relevant provisions of the Transitional Period Arrangements for the Implementation of the Rules of the Supporting System of the "Company Law" 《關於〈公司法〉配套制度規則實施相關過渡期安排》 issued by the CSRC on 27 December 2024, and in order to optimise the corporate governance structure, the Company resolved to cease to maintain the supervisory committee of the Company (the "**Supervisory Committee**"). The Audit Committee will exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law. Accordingly, the Company abolished the Supervisory Committee with effect from the conclusion of the 2024 Annual General Meeting (the "**AGM**") held on 22 May 2025, and made corresponding amendments to the Articles of Association, working rules of the Audit Committee and the rules of procedure of the Board of Directors. Each supervisor has also tendered his/her resignation from the Supervisory Committee and resigned as a supervisor with effect from the conclusion of the 2024 AGM. For details, please refer to the circular of the Company dated 29 April 2025 and the announcements of the Company dated 24 April 2025 and 22 May 2025.

CORPORATE CULTURE AND STRATEGIES

A healthy corporate culture is vital for the Group to achieve its vision and strategies. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it. As a Group with diversified businesses, we are aware of the importance of our stakeholders to the Board and the Group as a whole, and are committed to providing high quality and reliable products and services, and creating value for stakeholders through sustainable growth and continuous development.

The Group adheres to the corporate purpose of "Business flourishes with trustworthiness at its core, advancing the will-being of the Society", takes "Cultural guidance, Social responsibility and Quality improvement" as the direction, carries forward the core values of the enterprise, gathers positive energy, creates a united and enterprising atmosphere, constantly improves the cultural system, innovates the carrier of activities, and enhances the popularity and reputation of the Company.



V. Corporate Governance Report

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as a code of conduct for securities transactions by the Directors of the Company.

The Company has made specific enquiries to all Directors and they have confirmed that they had complied with the Model Code for the year ended 31 December 2025.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises nine Directors, with three executive Directors, three non-executive Directors, and three independent non-executive Directors. Personal particulars of Directors at the date of this report are set out in the section headed “IV. Directors and Senior Management” of this annual report. No relationship (including financial, business, family or other material/relevant relationship(s)) exists between any member of the Board and other Directors and senior management of the Company.

CHAIRMAN AND GENERAL MANAGER

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company supports the division of responsibilities between the chairman and the general manager to ensure a balance of authority and responsibility and to maintain a balanced judgment view. During the year ended 31 December 2025, Mr. Zhang Weize served as chairman, and Mr. Yang Jun served as general manager of the Company. The chairman is responsible for presiding over the work of the Board, formulating the Group’s development strategies, setting the overall business objectives of the Company, etc. The general manager shall be accountable to the Board of Directors, responsible for implementing the development strategies and operational management of the Group, and ensure the corporate governance and process operation of the Company goes well.

THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors shall be accountable to the general meeting and responsible for the Group’s governance, establishing the Group’s business and management strategies and direction, and supervising and controlling operational and financial performance to maximize long-term Shareholder value. The duties of Board of Directors include but not limited to convene a general meeting and report its work to such meeting; implement the resolutions of a general meeting; determine the Company’s operation plans, investment schemes, and development strategies; prepare the annual financial budget plan and final account plan of the Company; prepare the profit distribution plan and the loss recovery plan of the Company; decide on the establishment of the internal organizations of the Company; establish a basic management system of the Company; appoint or remove the senior management and decide on their remunerations; listen to the work report of the general manager and examine such work; and exercise other duties and powers specified in relevant laws, regulations, and Articles of Association. Matters relating to the daily operations and management of the Group shall be handled by the management authorized by the Board. The Board provides clear guidelines on the management authority of the management team and what the management team should report, and regularly reviews the authorized functions, rights and tasks to ensure that they remain applicable.



V. Corporate Governance Report

BOARD AUTHORIZATION

The management consisting of executive Directors and senior management is authorized to implement the strategies and guidelines approved by the Board from time to time and is responsible for the day-to-day management and operations of the Group. The executive Directors and senior management meet regularly to review the performance of the Company's overall business, coordinate overall resources, and make financial and operating decisions. The Board also gives clear instructions on its management powers (including circumstances where the management should report to it) and will regularly review the authorization arrangements to ensure that they are suitable for the needs of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company is committed to establishing an effective Board with members who have the appropriate competencies for the scale, complexity and strategic positioning of our business. In view of this, the independent non-executive Directors play an essential role in the Board through their independent professional judgment, and their views play an important role in the decisions of the Board.

Independent non-executive Directors have extensive experience in diverse fields and possess the requisite upright character, integrity and business insight for the proper discharge of their duties as independent non-executive Directors. In pursuit of the Group's objectives and business endeavors, by offering independent and constructive advice, they provide valuable contributions and unique insights to the Board and instill integrity into every aspect of our business which is also aligned to our values. Their wealth of knowledge, experience, skills and expertise are crucial to the Board's decisions. They have given the Board and the committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through active participation.

During the Reporting Period, the Board has complied with the requirements of Rule 3.10A of the Listing Rules (which specified that an issuer must appoint independent non-executive Directors representing at least one-third of the board), and the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules (which specify that every Board of Directors shall include at least three independent non-executive Directors, and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise).

INDEPENDENCE OF THE BOARD OF DIRECTORS

The Company believes that the independence of the Board is essential to good corporate governance and the effectiveness of the Board. The Board has established mechanisms to ensure that the independent views of any Director can be communicated to the Board to enhance the objectivity and effectiveness of decision-making.

The Board has a strong element of independence, providing independent and objective oversight on strategic and performance issues. The Board currently consists of independent non-executive Directors which account for more than one-third of the Board, and the Audit Committee and the Remuneration and Evaluation Committee of the Company are both chaired by independent non-executive Directors.

The Company has received an annual written confirmation from each independent non-executive Director in respect of his independence pursuant to Rule 3.13 of the Listing Rules. The Board and the Nomination Committee have assessed the independence of all the independent non-executive Directors and considered them to be independent persons as defined in the Listing Rules. In addition, up to the date of this report, the Board is not aware of any event that would impair the independence of any independent non-executive Director.



V. Corporate Governance Report

The Directors are required to declare their direct or indirect interests, if any, in proposals or transactions considered at the Board meetings and abstain from voting, if applicable. All Directors, including independent non-executive Directors, may obtain external independent professional advice if deemed necessary. Independent non-executive Directors have demonstrated professional competence and commitment and have devoted sufficient time to the perform their duties in the Board. The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views publicly and, if required, confidentially.

The Company has reviewed the implementation of the mechanism relating to the independence of the Board and considers it to be effective during the Reporting Period.

THE APPOINTMENT OF DIRECTORS

Governance principle B.2 of the CG Code provides that all directors shall be subject to re-election at regular intervals; Code Provision B.2.2 of the CG Code provides that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

The term of office of each Director (including non-executive Directors and independent non-executive Directors) shall be three years or until the expiration of the term of the second session of the Board of Directors (22 May 2027). A Director shall continue to perform his duties in accordance with the laws, administrative regulations, departmental rules, and Articles of Association until a duly re-elected Director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office. Their re-election shall be subject to the provisions of the Articles of Association.

The terms of the first session of the Board of the Company expired on 21 December 2023. At the 2023 AGM held on 22 May 2024, shareholders elected the members of the second session of the Board, whose tenure shall be three years with effect from 22 May 2024 until the expiration of the term of the second session of the Board. Please refer to the circular of the Company dated 30 April 2024 and the announcement of the Company dated 22 May 2024 for details.

NOMINATION POLICY

The Nomination Committee adopts a variety of methods to review the qualification of candidates for Directors, including recommendations from Board members, the management and professional intermediaries. In addition, the Nomination Committee will consider Director candidates appropriately submitted by Shareholders. The evaluation of the Nomination Committee on Director candidates may include, but is not limited to, review of resumes and work experience, personal interviews, verification of professional and personal recommendation letters, and performing background checks. The Nomination Committee will evaluate candidates based on the Company's business model and specific needs with reference to the following factors, including but not limited to the provisions of the Articles of Association, skills, experience and expertise, diversity, commitment, status, and independence. The Board will consider the recommendations of the Nomination Committee and be responsible for designating candidates for Directors to be elected by Shareholders at the Company's general meeting, or appointing suitable candidates to serve as Directors to fill Board vacancies or as supplements to Board members, and to comply with the Articles of Association. All Director appointments should be confirmed through a letter of appointment and/or service contract, which should state the main terms and conditions of Director appointment.



V. Corporate Governance Report

The procedure for nominating Directors of the Company is as follows:

Within the number of the Board of Directors stipulated in the Articles of Association, persons entitled to nominate may propose candidates as Directors according to the number of persons proposed.

- (i) To make nominations, the chairman of the Nomination Committee shall convene the Nomination Committee meeting and invite nominations from the Board, if any, for consideration by the Nomination Committee prior to the meeting. The Nomination Committee may nominate candidates not nominated as a Director by the Board members.
- (ii) The Nomination Committee conducts preliminary review on the qualifications and conditions of the candidates for Directors and submits qualified candidates to the Board of Directors for consideration; after consideration and approval by the Board of Directors, the candidates for Directors are submitted to the general meeting in the form of written proposal; the Nomination Committee or other organizations authorized by the Board of Directors are responsible for specific matters on the election of Directors.
- (iii) In order to provide information on the candidates nominated by the Board for election at the general meeting and to invite Shareholders to provide nominations, the Company will issue a circular to the Shareholders, setting out the deadline for submission of nominations by the Shareholders. The information on the candidates will be set out in the circular to the Shareholders in accordance with the applicable laws, rules and regulations.
- (iv) Until such time as a circular to the Shareholders is issued, a nominee may not assume that he/she has been recommended by the Board for election at the general meeting.

The criteria for the selection of the Company's Directors are as follows:

The Nomination Committee and the Board of Directors shall consider the following criteria in evaluating and selecting candidates for Directors:

- (a) Character and integrity;
- (b) Qualifications, including professional qualifications, skills, knowledge and experience relevant to the Company's business and corporate strategy;
- (c) Willingness to devote sufficient time to fulfill the duties of a member of the Board of Directors, as well as other duties that need to be performed as Directors and significant commitments;
- (d) Number of current directorships held by the candidate and other responsibilities that may require their attention;



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- (e) The requirement under the Listing Rules that the Board must include independent non-executive directors and whether a candidate is considered to be independent under the independence guidelines set out in the Listing Rules;
- (f) The Company's board diversity policy ("**Board Diversity Policy**") and any measurable objectives adopted by the Nomination Committee to achieve diversity on the Board; and
- (g) Other aspects appropriate to the Company's business.

The Nomination Committee and the Board will regularly review the director nomination policy of the Company ("**Director Nomination Policy**") to ensure its effectiveness.

BOARD DIVERSITY POLICY

The Company has adopted the Board Diversity Policy. The Board Diversity Policy provides that the Company should endeavor to ensure that the Board members have the appropriate balance from the perspectives of skills, experience and diversity to enhance the quality of their performance. Pursuant to the Board Diversity Policy, the Company has designed the composition of the Board in such a way that the diversity of Board members has been considered from various perspectives, including but not limited to gender, age, cultural background and educational background, professional experience and qualifications, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and experience to enable the Board to effectively discharge its responsibilities, support good decision-making on the Group's core business and strategy and succession planning and development of the Board. For achieving an optimal Board, additional measurable objectives and specific diversity targets may be set and reviewed from time to time to ensure their appropriateness. All Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The selection of Director candidates will be made in accordance with the Director Nomination Policy, taking into account the Board Diversity Policy. The final decision will be based on the strengths of the candidates and contributions they can make to the Board, having due regard to the benefits of diversity on the Board and the needs of the Board without focusing on a single dimension of diversity.

The Board will take the opportunity to gradually increase the proportion of female directors during the identification and election of suitable directors. The Board will ensure that appropriate balance of gender diversity of Board members, taking into account stakeholder expectations and international and local recommended best practices, with the ultimate goal of moving the Board towards gender parity. The Board also expects an appropriate proportion of directors with direct experience in the Group's core markets that reflect the Group's strategy.

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Monitoring and Review

The Nomination Committee is delegated with overall responsibility for implementing, monitoring and regularly reviewing the Board Diversity Policy. In evaluating potential candidates to join the Board, the Nomination Committee will consider the diversity factors set forth above. As of the date of this annual report, the Board consists of nine Directors. The following table presents a tabular analysis of the current diversity of the Board composition based on measurable objectives as of the date of this annual report:

Professional qualifications and industry experience

Directors	Professional qualifications and industry experience
Executive Directors	
Mr. Zhang Weize (張偉澤)	Project management, marketing, property management, corporate governance
Mr. Yang Jun (楊軍)	Real estate development and sales, property management, corporate governance
Mr. Luo Zhou (羅周)	Real estate development and sales, property management, corporate governance
Non-executive Directors	
Ms. Jiang Xin (蔣鑫)	Corporate governance, strategic planning, economic activity analysis
Mr. Mao Lei (毛磊)	Corporate governance, strategic planning, internal control construction
Mr. Li Zuoyang (李作揚)	Corporate governance, strategic planning
Independent Non-executive Directors	
Mr. Cheng Peng (程鵬)	Expert in the property industry field
Mr. Kong Weiping (孔偉平)	Expert in the legal field
Mr. Kong Chi Mo (江智武)	Expert in the financial accounting field

Age

Age Group	46-50	51-55	56-60
Directors			
Mr. Zhang Weize (張偉澤)	3	2	4
Mr. Yang Jun (楊軍)			√
Mr. Luo Zhou (羅周)		√	√
Ms. Jiang Xin (蔣鑫)	√		
Mr. Mao Lei (毛磊)	√		
Mr. Li Zuoyang (李作揚)			√
Mr. Cheng Peng (程鵬)		√	
Mr. Kong Weiping (孔偉平)			√
Mr. Kong Chi Mo (江智武)	√		



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Gender

Gender Group	Male	Female
Number of Directors	8	1
Percentage	88.89%	11.11%

The Board members have a balanced mix of experiences, including operation management, marketing, legal, administrative management and accounting fields. Further, the age of the Board members ranges from 45 to 60 years old. One of the Company's non-executive Directors, namely Ms. Jiang Xin, the Company's members of the senior management, namely Ms. Xu Yan, Ms. Li Peng and Ms. Ma Suyan, and one of the Company's joint company secretaries, namely Ms. Leung Wing Han Sharon, have practical experience in their respective fields, contributing to gender diversity of the Company's management team and bringing valuable views from a female perspective to the Board in managing the Company. Considering the significance of gender diversity, the Nomination Committee will continuously endeavor to identify suitable female Director candidates through internal promotion, referrals, engaging employment agencies or other reasonable means, and make recommendations to the Board for consideration in order to build a pipeline of potential director successors that can achieve gender diversity.

At the same time, the Company has adopted the following measurable objectives:

- At least one independent non-executive Director is ordinarily resident in Hong Kong;
- At least one independent non-executive Director has experience as a financial officer of a large enterprise or is an expert in corporate finance and accounting;
- The number of independent non-executive Directors shall not be less than one-third of the Board of Directors, and the number of independent non-executive Directors and external non-executive Directors shall exceed half of the Board of Directors;
- The professional background and work experience of the members should be closely related to the business development of the Company. Directors understand the industry in which the Company operates, and have professional knowledge or relevant experience in infrastructure construction, property management, business management, accounting, economics, law, finance, etc., and most of the Directors have decision-making experience in business operation and management of large enterprises.

For the year ended 31 December 2025, the Company has achieved the above measurable objectives.

For the gender ratio of all employees and senior management of the Company, please refer to the section "V. Corporate Governance Report – Employee Diversity" in this annual report.

The Nomination Committee and the Board will review the Board Diversity Policy on an annual basis to ensure that it meets the needs of the Company and reflects regulatory requirements and good corporate governance practices. For the year ended 31 December 2025, the Nomination Committee and the Board are of the opinion that the Board Diversity Policy of the Company was effectively implemented during this year and that the current Board has a balanced and diverse (including gender diversity) composition.



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BOARD COMMITTEES

The Company has established five special committees under the Board, namely the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Strategy and Investment and ESG Committee, and the Risk and Compliance Management Committee. The special committees of the Board of Directors clearly stipulate their functions and powers in specific written terms. The working rules of each of the special committees of the Board have been published on the website of the Company (jps.bucg.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Audit Committee

The Audit Committee currently comprises three members, namely Mr. Kong Chi Mo (independent non-executive Director), Ms. Jiang Xin (non-executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Kong Chi Mo serves as the chairman of the Audit Committee. He has appropriate accounting and related financial management expertise, which complies with Rule 3.21 of the Listing Rules. Pursuant to the Company Law and the relevant provisions of the Transitional Period Arrangements for the Implementation of the Rules of the Supporting System of the “Company Law” abovementioned, the Company has abolished its Supervisory Committee, and the Audit Committee shall, in accordance with the Company Law, exercise the functions and powers of the Supervisory Committee. In light of the above, the Company has also made corresponding amendments to the terms of reference of the Audit Committee. From the perspective of compliance in the operation of the Audit Committee, and taking into account the Company’s business development needs and actual circumstances, the Board convened a meeting on 22 August 2025 to revise the Terms of Reference of the Audit Committee of the Board. The revised terms of reference have been published on the Company’s website (jps.bucg.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

The primary duties of the Audit Committee include:

- (i) Proposing the appointment, re-appointment or removal of the external auditor, and making recommendations to the Board and approving the remuneration and terms of engagement of the external auditor;
- (ii) Reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the audit process, discussing the nature, scope, method and relevant reporting obligation of the audit with the auditor before the audit commences, formulating and implementing policies on engaging the external auditors to provide non-audit services;
- (iii) Reviewing the truthfulness, completeness and accuracy of the Company’s financial statements, interim and annual reports, and reviewing important opinions regarding financial reporting in such statements and reports;
- (iv) Reviewing the Company’s financial control system, discussing with management the effectiveness of the risk management and internal control systems, and supervising the the effectiveness and self-assessment of the internal control; and considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management’s response to these findings;



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- (v) Being responsible for the communication between the internal audit function and the external auditor; acting as the primary representative of the Company in its dealings with the external auditor, and monitoring the relationship between the two;
- (vi) Evaluating any proposed connected transactions and regularly reviewing the overall situation of the Company's connected transactions within the annual cap granted; and
- (vii) Other matters as authorized by the Board or required by relevant laws and regulations.

For the year ended 31 December 2025, the Audit Committee held three meetings at which it studied and reviewed proposals such as the “2024 Annual Final Financial Report of the Company”, “Corporate Budget for the year 2025”, “Announcement of Annual Results for the year 2024 and 2024 Annual Report of the Company”, “Interim Results Announcement for the year 2025 and 2025 Interim Report”, and the “2024 Profit Distribution Plan and Dividend Declaration Proposal”, and recommended them to the Board for approval.

The Audit Committee regularly reviewed the effectiveness of the Company's risk management and internal control systems at least once a year. Through the summary and evaluation of the results of various internal control work of the Company, the Company confirmed that the implementation of the management on the Company's various risk management work and the internal control system was effective and operated orderly.

The Company Secretary prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee currently comprises three Directors, namely Mr. Cheng Peng (independent non-executive Director), Ms. Jiang Xin (non-executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Cheng Peng serves as the chairman of the Remuneration and Evaluation Committee.

The primary duties of the Remuneration and Evaluation Committee include:

- (i) Advising the Board on the overall policy and structure concerning remuneration of the Directors and senior management of the Company and on formulating a formal and transparent procedure for developing such remuneration policy;



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- (ii) Establishing the specific remuneration packages for all our executive Directors and senior management, including non-monetary benefits, pension rights and compensations (including compensations for loss of office or termination of employment or appointment), and advising the Board on the remuneration of the non-executive Directors;
- (iii) Formulating the administrative measures for evaluating the performance of the senior management of the Company, setting up the evaluation program and determining the evaluation targets;
- (iv) Reviewing the fulfillment of the duties by relevant Directors and senior management and assessing their annual performance;
- (v) Studying the policies and plans for the salary, benefits and rewards and punishments of the Company, advising the Board on such aspect and supervising the implementation of such policies and plans;
- (vi) Studying the equity incentive schemes of the Company and proposing recommendations, including review and/or approval the matters in respect of share schemes as referred to in Chapter 17 of the Listing Rules; and
- (vii) Other matters as authorized by the Board or required by relevant laws and regulations.

For the year ended 31 December 2025, the Remuneration and Evaluation Committee held three meetings at which it studied and reviewed proposals such as “Work Report of the Remuneration and Evaluation Committee of the Board in 2024”, “Operational Performance Appraisal Indicators for Management Members in 2025”, “Performance Appraisal and Remuneration Plan of Management Members and Other Senior Managers of the Company in 2024”, and “Appraisal of Results of Operations and Remuneration Plan of Heads of Affiliated Units in 2024”, and recommended them to the Board for approval.

The Remuneration and Evaluation Committee prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

Nomination Committee

The Nomination Committee currently comprises three Directors, namely Mr. Zhang Weize (executive Director), Mr. Cheng Peng (independent non-executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Zhang Weize serves as the chairman of the Nomination Committee. Pursuant to the requirements of the Listing Rules, and in order to further strengthen the governance structure of the Board and taking into account the Company’s business development needs and actual circumstances, the Board convened a meeting on 22 August 2025 to revise the Terms of Reference of the Nomination Committee of the Board. The revised terms of reference have been published on the Company’s website (jps.bucg.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).



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The primary duties of the Nomination Committee include:

- (i) Establishing the criteria, procedures and methods for selecting the Directors and senior management of the Company, and submitting them to the Board for deliberation;
- (ii) Regularly reviewing the structure, member number and composition of the Board and their relevant qualifications (including skills, knowledge, experience and others) at least annually, assisting the Board in maintaining a Board skills matrix, and advising on any proposed changes to the Board to complement the Company's strategy;
- (iii) Identifying the individuals qualified to serve as the Directors, and reviewing and advising on the candidates for the Directors, the general manager, the secretary of the Board and any other members at the management level;
- (iv) Assessing the skills, knowledge and experience of the Directors and senior management comprehensively, and reviewing the independence of the independent non-executive Directors;
- (v) Reviewing the Board Diversity Policy, and the measurable objectives that the Board has set for implementing the policy and progress on achieving those objectives;
- (vi) Supporting the Company for regular assessment of the performance of the Board;
- (vii) Assessing each Director's the time commitment and contributions to the Board, and whether each Director is able to effectively discharge his or her duties; and
- (viii) Other matters as authorized by the Board or required by relevant laws and regulations.

For the year ended 31 December 2025, the Nomination Committee had held two meetings at which it studied and reviewed proposals such as "Work Report by the Nomination Committee of the Board of Directors of the Company in 2024" and "Appointment of the Company's Deputy General Manager" of the Company, and recommended them to the Board for approval.

The Nomination Committee also reviewed the structure, size and composition of the Board; reviewed the Director Nomination Policy; and assessed the independence of independent non-executive Directors, Board Diversity Policy, etc.

The Nomination Committee prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.



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Strategy and Investment and ESG Committee

The Strategy and Investment and ESG Committee currently comprises five Directors, namely Mr. Zhang Weize (executive Director), Mr. Yang Jun (executive Director), Mr. Luo Zhou (executive Director), Mr. Mao Lei (non-executive Director) and Mr. Cheng Peng (independent non-executive Director). Mr. Zhang Weize serves as the chairman of the Strategy and Investment and ESG Committee.

The primary duties of the Strategy and Investment and ESG Committee include:

- (i) Conducting research and making recommendations on the long-term development strategic planning of the Company;
- (ii) Conducting research and making recommendations on major investment and financing schemes which require the approval of the Board as stipulated in the Articles of Association;
- (iii) Conducting research and making recommendations on the major capital operation and asset management projects which require the approval of the Board as stipulated in the Articles of Association;
- (iv) Conducting research and making recommendations on other major matters affecting the development of the Company;
- (v) Assisting the Board in formulating and reviewing the Company's prospects, strategies, specific objectives and overall direction of sustainable development;
- (vi) Carrying out the decisions of the Board on sustainable development;
- (vii) Formulating and implementing management policies and specific measures related to sustainable development;
- (viii) Specifying and implementing ESG-related work according to the major issues, strategies and guidelines derived from ESG materiality assessment;
- (ix) Coordinating annual environmental, social and governance (ESG) report;
- (x) Checking the implementation of the above matters;
- (xi) Reviewing and approving disclosures in relation to the Company's sustainability framework, objectives and related performance that should be included in the annual report; and
- (xii) Other matters as required by laws, regulations, the Articles of Association, the securities regulatory authority of the place where the shares of the Company are listed and authorized by the Board.



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For the year ended 31 December 2025, the Strategy and Investment and ESG Committee held three meetings at which it studied and reviewed proposals such as the “2025 Production and Operation Plan of the Company”, “2024 Environmental, Social and Governance (ESG) Report” and “2024 Work Report of the Strategy and Investment and ESG Committee of the Board”, and recommended them to the Board for approval.

The Strategy and Investment and ESG Committee prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

Risk and Compliance Management Committee

The Risk and Compliance Management Committee currently comprises five Directors, namely Mr. Yang Jun (executive Director), Mr. Zhang Weize (executive Director), Mr. Li Zuoyang (non-executive Director), Ms. Jiang Xin (non-executive Director), and Mr. Kong Weiping (independent non-executive Director). Mr. Yang Jun serves as the chairman of the Risk and Compliance Management Committee.

The primary duties of the Risk and Compliance Management Committee include:

- (i) Being authorized by the Board to conduct special research and give advice for and to the Board in performing its risk management duties which include the establishment of a comprehensive risk management system for the Company, risk assessment of significant decisions and review of the annual risk management report of the Company;
- (ii) Conducting research and giving advice for and to the Board in performing its internal control duties which include discussing the internal control system with the management to ensure that the management has fulfilled its responsibilities of the establishment of an effective internal control system;
- (iii) Conducting special research and giving advice for and to the Board in performing its compliance management duties which include approving corporate compliance management strategic plans, basic systems and annual reports and promoting the improvement of the compliance management system; and being authorized by the Board to independently perform compliance management duties which include holding regular meetings, discussing major compliance management issues, and coordinating, organizing and propelling the system integration of risk, internal control and compliance management; and
- (iv) Conducting research and giving advice for and to the Board in performing its duties of legal compliance.

For the year ended 31 December 2025, the Risk and Compliance Management Committee held one meeting at which it studied and reviewed proposals such as the “2024 Risk Management Work Report” and “2024 Work Report of the Risk and Compliance Management Committee of the Board”, and submitted them to the Board for review and approval.

The Risk and Compliance Management Committee prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

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GENERAL MEETINGS, BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The general meeting is the highest authority of the Company. It provides an opportunity for direct communication and the establishment of a sound relationship between the Shareholders and the Board and senior management of the Company. The Company attaches great importance to the general meeting. For the year ended 31 December 2025, the Company held the 2024 AGM of the Company on 22 May 2025, at which a total of 8 proposals were considered and approved. The convening, holding and voting procedures for each general meeting are legal and valid, and all the resolutions submitted at the general meetings were passed.

Regular meetings of the Board shall be held at least four times a year, and shall be convened by the chairman of the Board. All Directors shall be given not less than fourteen days' notice for regular Board meetings. For other meetings of the Board and special committees under the Board, reasonable notice will be given.

Code Provision C.5.8 of the CG Code stipulates that for regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers should be sent, in full, to all directors. These should be sent in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period).

For the year ended 31 December 2025, the Board of Directors convened seven meetings at which it considered and approved a total of 40 resolutions.

The following table sets out the attendance of each of the Directors at the meetings of the Board, the special committees under the Board and general meetings for the year ended 31 December 2025:

Name of Director	Number of attendance/Number of meetings held						
	Board	Audit Committee	Nomination Committee	Remuneration and Evaluation Committee	Strategy and Investment and ESG Committee	Risk and Compliance Management Committee	General Meeting
Mr. Zhang Weize (張偉澤)	7/7	N/A	2/2	N/A	3/3	1/1	1/1
Mr. Yang Jun (楊軍)	7/7	N/A	N/A	N/A	3/3	1/1	1/1
Mr. Luo Zhou (羅周)	7/7	N/A	N/A	N/A	3/3	N/A	1/1
Ms. Jiang Xin (蔣鑫)	7/7	3/3	N/A	3/3	N/A	1/1	1/1
Mr. Mao Lei (毛磊)	7/7	N/A	N/A	N/A	3/3	N/A	1/1
Mr. Li Zuoyang (李作揚)	7/7	N/A	N/A	N/A	N/A	1/1	1/1
Mr. Cheng Peng (程鵬)	7/7	N/A	2/2	3/3	3/3	N/A	1/1
Mr. Kong Weiping (孔偉平)	7/7	3/3	2/2	3/3	N/A	1/1	1/1
Mr. Kong Chi Mo (江智武)	7/7	3/3	N/A	N/A	N/A	N/A	1/1



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DIRECTORS' TRAINING

Directors should participate in appropriate continuing professional development to develop and refresh their knowledge and skills. The Company has arranged training for its Directors and provided them with reading material on relevant topics. Every newly appointed Director shall receive a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company. All Directors have received formal and comprehensive training regarding their responsibilities and obligations under the Listing Rules and relevant laws. All Directors have been trained in respect of the duties and responsibilities of Directors, the relevant laws and regulations applicable to Directors and the duty of disclosure of interests, and have read materials relevant to the Company's business or the Directors' functions and powers.

Training received by Directors for the year ended 31 December 2025:

Directors	Types of training ^{Note}
Mr. Zhang Weize (張偉澤)	A, B
Mr. Yang Jun (楊軍)	A, B
Mr. Luo Zhou (羅周)	A, B
Ms. Jiang Xin (蔣鑫)	A, B
Mr. Mao Lei (毛磊)	A, B
Mr. Li Zuoyang (李作揚)	A, B
Mr. Cheng Peng (程鵬)	A, B
Mr. Kong Weiping (孔偉平)	A, B
Mr. Kong Chi Mo (江智武)	A, B

Notes: Types of training

A: Attending training sessions, including but not limited to, briefings, seminars and conferences.

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications.

REMUNERATION OF SENIOR MANAGEMENT

Details of the remuneration of the Directors and the respective remuneration of the five highest paid individuals for the year ended 31 December 2025 are set out in Notes 8 and 9 to the consolidated financial statements.

The remuneration level of the Company's senior management (excluding Directors) for the year ended 31 December 2025 is set out below:

Remuneration Level (RMB)	Number of persons
0-500,000	0
500,001-1,000,000	5



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CORPORATE GOVERNANCE FUNCTION

For the year ended 31 December 2025 and up to the date of this report, the Board has performed the functions set out in Code Provision A.2.1 of the CG Code, and has developed and reviewed the issuer's policies and practices on corporate governance; reviewed and monitored the training and continuing professional development of Directors and senior management and the issuer's policies and practices in relation to compliance with legal and regulatory requirements; developed, reviewed and monitored the code of conduct and compliance manual to employees and Directors; and reviewed the issuer's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Company has formulated and adopted the whistleblowing policies in accordance with Code Provision D.2.6 of the CG Code, and also formulated and adopted the policies that support anti-bribery and anti-graft practices in accordance with Code Provision D.2.7 of the CG Code.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged for appropriate insurance cover for Directors' and Officers' liabilities in respect of any legal actions against them arising out of the Company's business, and the insurance coverage will be reviewed annually.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is of the view that effective risk management and internal control are integral and indispensable to the Group's achievement of long-term business growth and sustainable development. The purpose of establishing the risk management and internal control framework is to manage and reduce the Group's exposure to business risks to the extent acceptable, rather than to eliminate the risk of failure to achieve business objectives, and to be able to only provide reasonable but not absolute assurance against material misrepresentation or loss. The six major risks, namely strategic risk, financial risk, market risk, operating risk, compliance risk and legal risk are the main targets for the Group's risk management and also serve as a guide and direction for the construction of the internal control system.

Risk Management and Internal Control Arrangements

The Board guides the Group's comprehensive risk management works and is the ultimate decision-making body regarding the major risk matters arising from the comprehensive risk management. It is responsible for evaluating and determining the nature and level of risks that the Group is willing to accept for achieving its strategic objectives, and ensuring that the Group establishes and maintains suitable and effective risk management and internal control systems. It is accountable for the effectiveness of the Group's risk management. The Board instructs management of the Company to deploy risk management and internal control arrangements and management of the Company is responsible for the specific implementation of internal control.



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Structure of the Group's Risk Management

In the risk, internal control, and compliance management of the Company, the Company's Committee under the Party Committee plays the role as leader to take full responsibility for leading and coordinating the strengthening of risk control management. The Board of Directors is the highest decision-making body for risk control, and their decisions on risk management are made with the assistance of the Risk and Compliance Management Committee and the Audit Committee of the Board from the perspectives of supervision and evaluation at all stages from start to finish, respectively. The general manager and the management under his/her leadership are responsible for formulating risk countermeasures and implementing various risk control measures in the course of operations. They are accountable to the Board of Directors for the effectiveness of risk control management.

The Company has built three lines of defence for risk prevention and control based on functional departments and business units as follows:

First line of defence: It is formed by all departments, business divisions and subsidiary entities (i.e., business lines) of the Company. It is responsible for enforcing specific requirements for internal control and compliance management, identifying and assessing risk exposures of entities in daily business operations, and implementing effective risk countermeasures.

Second line of defence: It is formed by all functional departments of the Company. Based on their respective terms of reference and expertise, the departments collectively play the empowering role as the second line of defence by performing internal control and compliance audits, business guidance to affiliated units and other risk management tasks.

Third line of defence: The Company's Audit Department serves as the supervisory function for the overall enterprise risk management. It is responsible for evaluating the system of the Company, which has further strengthened the supervisory evaluation for the risk management systems of the Company and its subsidiary entities, and formed a closed loop of risk management.

Risk Management Procedures

The overall objectives of the Company's risk management are to strive to keep the risk within the range that is tolerable and compatible with the overall business development goals of the Company, ensure that treatments are in place when there exists major risk incidents, protect the Company from incurring heavy losses due to major operational risks or human errors, and facilitate the realisation of the Company's strategic goals.

In reference to their respective responsibilities for risk management, all departments and units of the Company collect risk information, identify, assess and respond to risks and carry out other tasks in accordance with the basic risk management procedures provided in the "Risk Management Measures" and the accompanying "Risk Information Collection and Risk Assessment Operation Manual"; decompose the production, operation and management targets of the Company, track down risks in important operation activities and in key management and business processes of the Company, and identify risks affecting the achievement of targets.



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Risk Management and Internal Control of the Company for the Year

On the basis of an established management system, with focus on the annual overall objectives on risk management, adopting internal control and compliance management as the main approach and working towards advancing the integration of internal control and compliance systems with business management, the Company implemented risk management measures in key aspects and major processes of daily operations and management to achieve major risk management targets.

Integrated operation of the internal control system with other management systems. The Company integrated the five systems for quality, environment, occupational health, information security and energy management with the internal control system that has reduced its administrative costs, improved its operational efficiency and strengthened its management effectiveness.

Solid progress in the prevention, management and control of operational risks. The Company regularly analysed the business operations, periodically analysed its economic activities and performed operational reviews, and evaluated its projects under management in terms of management scale, assets, main costs and revenue, to ensure non-deviation from its operational management goals, and maintain operational risks within controllable scope.

Continued strengthening of safety risk management. The Company convened a regular safety production meeting on a monthly basis, and fully implemented the safety production accountability system. Adequate efforts were made for flood control and snow sweeping and ice shoveling under extreme weathers to avoid safety incidents and ensure smooth and systemic safety operation.

Enhanced budget management and control of cost risks. The Company strengthened the leading role of comprehensive budget management and control striving to achieve the goals of “increasing revenue, controlling costs, reducing expenses, boosting cash and optimising investments”.

Strengthening of risk control measures using information technology. The Company developed an integrated business-finance system to incorporate the business processes involving routine inspections and risk control in key aspects of the whole scope of business into the information technology system, thereby improving the overall management efficiency and reducing management risks.

Review of Risk Management and Internal Control

The Board is responsible for the risk management and internal control systems and confirms to review the effectiveness of the risk management and internal control at least once a year. Through the summary and evaluation of the results of various internal control work of the Company, it is confirmed that the management has effectively and orderly implemented the various risk management and internal control systems of the Company.



V. Corporate Governance Report

The Group has in place an internal audit function. For the year ended 31 December 2025, the Board reviewed (among other things): (i) whether the resources for the Group's accounting, internal audit and financial reporting functions were sufficient, whether the qualifications and experience of staff were matched, and whether the training courses and related budgets were enough; (ii) scope and quality of risk management, internal control system and their internal audit function works; (iii) whether the risk management and internal control systems were sound and effective; and (iv) whether the regulations and main business processes of the Group met the requirements of operation management and the needs of the rapid development of the Company.

In addition, the Board and Audit Committee continuously supervised the Group's risk management and internal control systems, identified the deficiencies in the design and operation of internal controls and recommended appropriate improvements.

The Board has also fully assessed the timeliness, effectiveness and standardisation of the procedures for handling and releasing of the various inside information, connected transactions and other material matters of the Group, as well as the effectiveness of the Company's financial reporting and Listing Rules compliance procedures.

Through above review of the internal control, the Board considered that the Group's risk management and internal control systems were effective and adequate and that the overall risk level was within the Group's acceptable range. The Group also will further improve the risk management and internal control measures, constantly optimize the operation and management environment, ensure the efficient and compliance of operation of the Company, ensure the safety and reliability of the Company's capital and assets, strengthen the construction of the compliance risk control system, and promote the realisation of the Company's development strategy.

PROCEDURES FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company maintains a policy on disclosure of inside information with reference to the Guidelines on Disclosure of Inside Information issued by the Hong Kong Securities and Futures Commission. The policy sets out procedures and internal controls for handling and disseminating inside information in an appropriate and timely manner, such as taking steps to determine sufficient details, conducting internal assessment of the matter and its possible impact on the Company, seeking professional advice when required and verifying the facts. Anyone in possession of the information must ensure such information is kept in strict confidentiality and is not allowed to buy or sell any securities of the Company until the information is fully disclosed to the public.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RELATION TO FINANCIAL STATEMENTS

The Directors understand their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025, which give a true and fair view of the condition of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Directors were not aware of any material uncertainties which may cast significant doubt upon the Group's ability to continue as an ongoing concern.

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



V. Corporate Governance Report

AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the Company's total amount of remuneration paid to the external auditor of the Company, KPMG, was RMB3.09 million for 2025.

The detailed analysis of the remuneration paid to auditor for audit and non-audit services during the year is as follows:

	Amount RMB million
Types of services provided by auditor	
– 2025 Interim Financial Report Review Service	0.75
– 2025 Annual Financial Statements Audit Service	2.33
– Hong Kong Profits Tax Return Filing Service	<u>0.01</u>
Total	<u>3.09</u>

JOINT COMPANY SECRETARIES

Ms. Leung Wing Han Sharon (a director of Company Secretarial Services of Tricor Services Limited, an external service provider) has been appointed as the joint company secretary with effect from 25 September 2024.

Mr. Chen Shuang (deputy general manager and secretary to the Board of the Company) has been appointed as a joint company secretary of the Company since 15 March 2023.

Mr. Chen Shuang has been designated as the primary contact person of the Company to cooperate and communicate with Ms. Leung Wing Han Sharon on corporate governance matters of the Company.

Mr. Chen Shuang and Ms. Leung Wing Han Sharon have confirmed that they have received relevant professional training of not less than 15 hours in accordance with Rule 3.29 of the Listing Rules during the year ended 31 December 2025.

SHAREHOLDERS' RIGHTS

In order to safeguard the interests and rights of Shareholders, the Company proposes separate resolutions on significant events (including the election of individual Director) at general meetings. All resolutions proposed at general meetings will be voted by poll pursuant to the Listing Rules, and the poll results will be published on the websites of the Company and the Hong Kong Stock Exchange upon the conclusion of each general meeting.



V. Corporate Governance Report

Convening of an Extraordinary General Meeting

Pursuant to Article 49 of the Articles of Association, Shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company shall be entitled to request the Board of Directors to convene an extraordinary general meeting, and shall put forward such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, it shall serve a notice of such general meeting within five (5) days after the resolution is made by the Board of Directors. In the event of any changes to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the Board of Directors does not agree to convene the extraordinary general meeting, or fails to respond within ten (10) days upon receipt of the proposal, Shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company shall be entitled to propose to the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such general meeting within five (5) days upon receipt of the said request. In the event of any changes to the original proposal set forth in the notice, the consent of relevant Shareholder(s) shall be obtained.

In the case of failure to issue the notice of extraordinary general meeting or class meeting within the prescribed period, the Audit Committee shall be deemed as failing to convene and preside over such general meeting, and the Shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over such meeting by itself/themselves.

The shareholding of the convening shareholders shall be no less than ten per cent (10%) before a resolution passed at the general meeting is announced.

Pursuant to Article 50 of the Articles of Association, when the Audit Committee or the Shareholders convene and preside over a meeting by themselves in accordance with the provisions therein, a written notice shall be sent to the Board of Directors and, in accordance with applicable regulations, filed with the related securities regulatory authorities and relevant stock exchange at the place where the Company is located; the Board of Directors and the secretary to the Board of Directors shall cooperate in terms of such meetings, and the Board of Directors shall provide the register of shareholders on the shareholding record date; the expenses reasonably accrued therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent directors.



V. Corporate Governance Report

Proposing Resolutions at a General Meeting

According to Article 52 of the Articles of Association, the Board of Directors, the Audit Committee, and the Shareholder(s) individually or jointly holding more than one per cent (1%) of the Company's shares may submit a written provisional motion to the convener ten (10) days before the convening of the shareholders' meeting. Such ad hoc proposals shall contain specific issues and specific resolutions. The convener shall issue a supplementary notice of general meeting within two (2) days after receipt of the said provisional motion, to announce the content of the provisional proposal, and include the matters that fall within the scope of the duties of the general meeting in the proposal into the agenda of the meeting and submit them to the general meeting for consideration, unless such ad hoc proposals are in violation of the requirements under the laws, administrative regulations, the Listing Rules or the Articles of Association, or do not fall within the powers of the shareholders' meeting.

Enquiries to the Board

The Company maintains a website at jps.bucg.com, where information on the Company's businesses and projects, key corporate governance policies and announcements, financial reports and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company by the following ways:

Address: 11/F, Building B, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, PRC

Email: jcjy@bcjps.com

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with Shareholders is essential to enhance investor relations and to keep investors informed of the Group's business performance and strategies. The Company has developed and posted the Shareholder Communication Policy on our website (jps.bucg.com), and has reviewed its implementation and effectiveness at least once a year.

The Company has established various and a wide range of communication channels with Shareholders, including general meeting, annual results and interim results, annual and interim reports, announcements and circulars and performance conference. To facilitate the communication between the Company and investors, the Company holds meetings, briefings and roadshows with investors and analysts from time to time. Apart from that, the Company invites investors and business stakeholders to visit our management site every now and then, giving them the opportunities to meet with the local management and visit our facilities. During their visits, the Company collects feedback from visitors on our performance and learns about their expectations.

Under the Shareholder Communication Policy, the Shareholders may make enquiries with the Company, and provide comments and recommendations to the Directors or managements at any time. Upon receipt of written enquiries from Shareholders, the Company will make actual responses to the Shareholders as soon as possible. In addition, the Company updates its website from time to time to keep the Shareholders updated of the recent development of the Company. The Company endeavors to maintain an ongoing dialogue with Shareholders. At the AGM, the Directors (or their delegates as appropriate) are available to meet with the Shareholders and answer their enquiries.



V. Corporate Governance Report

For the year ended 31 December 2025, the Board has reviewed the implementation and effectiveness of the Shareholder Communication Policy and after taking into account the aforementioned communication channels of investors and the measures taken and the events held by the Company, the Company is of the view that the Shareholder Communication Policy has been effectively implemented in 2025.

DIVIDEND POLICY

The Company considers stable and sustainable returns to the Shareholders to be its goal. The recommendation of the payment of dividend is subject to the absolute discretion of the Board of Directors. Any declaration of final dividend for the year will be subject to the approval of the Shareholders. The Company currently does not have a predetermined dividend payout ratio. The Board may declare, and the Company may pay, dividends after taking into account the results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as it may deem relevant.

For details of the dividend distribution for the year ended 31 December 2025, see final dividend in the “VI. Report of the Board”.

EMPLOYEE DIVERSITY

The Group insists on the principle of fairness and voluntariness in recruitment, and does not impose any restrictive requirements on gender, ethnicity, nationality and region. In order to avoid child labour and forced labour, we, in strict compliance with the provision of Article 15 of the Labour Law of the People’s Republic of China, ban the employer from recruiting juveniles under the age of 16, and strictly check whether the actual age of the candidates meets the employment criteria by checking their identity card, etc.

The following table sets out the gender ratio of the Group’s employees (including the Board and senior management) for the year ended 31 December 2025:

	Female	Male
The Board	11.11%	88.89%
Employees (including senior management)	43.97%	56.03%

The Board’s goal is to achieve and has achieved a minimum of 10% female Directors and a minimum of 40% female employees (including senior management) thereby fulfilling the gender diversity requirement.



V. Corporate Governance Report

The indicators on employees of the Group in 2025 are as follows:

Indicator	At the end of 2025 (persons)	Percentage of total number of employees at the end of 2025
Male employees	1,022	56.03%
Female employees	802	43.97%
Employees aged 30 and below	310	17.00%
Employees aged from 31 to 50	1,162	63.70%
Employees aged 51 and above	352	19.30%

As of 31 December 2025, the Group had a total of 1,824 employees, among them 802 were female employees (including senior management), representing approximately 43.97%. The Group considers the overall diversity (including gender diversity) of the Group to be balanced as a whole.

During the year, the Group placed great emphasis on strengthening the development of a cadre talent pipeline, by replenishing the talent pool of young professionals and organizing cadre talent training classes. It also intends to maintain a similar level of gender diversity of the overall workforce, and will continue to promote diversity through training programs, employee networks, fair employment and recruitment practices.

ARTICLES OF ASSOCIATION

During the year ended 31 December 2025, the Company amended the articles of association once, the particulars of the amendments are set out below:

In accordance with the latest amendments to the relevant PRC domestic laws and regulations and the Listing Rules and the actual operational needs of the Company, the Company made certain amendments to certain articles of the Articles of Association (the “**Amendments to the Articles of Association**”). The Amendments to the Articles of Association were considered and approved at the 2024 annual general meeting of the Company convened on 22 May 2025, with effect from 22 May 2025. For details of the Amendments to the Articles of Association, please refer to the announcements of the Company dated 24 April 2025 and 22 May 2025, and the circular of the Company dated 29 April 2025.

The latest version of the Articles of Association is available on the Company’s website (jps.bucg.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).



VI. Report of the Board

The Board is pleased to present its Directors' report and the audited consolidated financial statements of the Company for the year ended 31 December 2025.

GENERAL INFORMATION AND INITIAL PUBLIC OFFERING

The Company was established in the PRC on 22 December 2020 and is now a joint stock company with limited liability. 36,667,200 H shares of the Company with a nominal value of RMB1.0 each were listed on the Main Board of the Hong Kong Stock Exchange on 10 November 2021, with an offer price of HK\$8.28 per H Share.

PRINCIPAL ACTIVITIES

The Group is engaged in the provision of fundamental property services, value-added services to non-property owners and community value-added services.

BUSINESS REVIEW

The business review of the Group for 2025 and the future business development of the Company are set out in the section headed "Management Discussion and Analysis" of this annual report.

The section headed "Management Discussion and Analysis" of this annual report contains part of the analysis on the Group's annual performance using key financial performance indicators. For explanations on the major relations between the Company and its employees, customers and suppliers, please refer to the relevant parts of this section.

These discussions form part of the Report of the Board.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated statement of financial position of the Group as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the year then ended are set out on the consolidated financial statements on pages 87 to 93 of this annual report.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.0969 per share (tax inclusive) in cash for the year ended 31 December 2025 with a proposed dividend payout ratio equivalent to approximately 30%. The dividend proposal is subject to the approval of shareholders of the Company (the "Shareholders") at the annual general meeting of the Company to be held on Friday, 22 May 2026 (the "2025 AGM"), and the proposed final dividend is expected to be paid on or before Wednesday, 24 June 2026. The proposed final dividend will be declared in Renminbi and distributed in Hong Kong dollars (H shares) and Renminbi, and the exchange rate will be the average of the middle rate of the exchange rates published by the People's Bank of China one calendar week prior to the date of declaration of proposed final dividend.

As of the date of this annual report, there is no arrangement under which a Shareholder has waived or agreed to waive any dividends.



VI. Report of the Board

2025 AGM

The 2025 AGM will be held on Friday, 22 May 2026. The notice of the 2025 AGM will be published on the Company's website (jps.bucg.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and despatched to the Shareholders (as and when necessary) in the manner prescribed under the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the Shareholders to attend and vote at the 2025 AGM, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited (the Company's H share registrar), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H shares) or the Office of the Board of Directors of the Company at 11/F, Building B, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, the PRC (for holders of domestic shares) not later than 4:30 p.m. on Monday, 18 May 2026, for registration. Shareholders whose names appear on the register of members of the Company on Friday, 22 May 2026 are entitled to attend and vote at the 2025 AGM.

For the purpose of determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 29 May 2026 to Thursday, 4 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to determine the Shareholders' entitlement to the proposed final dividend, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited (the Company's H share registrar), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H shares) or the Office of the Board of Directors of the Company at 11/F, Building B, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, the PRC (for holders of domestic shares) not later than 4:30 p.m. on Thursday, 28 May 2026, for registration. Shareholders whose names appear on the register of members of the Company on Thursday, 4 June 2026 are entitled to receive the above final dividend.

SHARE CAPITAL

The Company issued 36,667,200 H shares at HK\$8.28 per share on 10 November 2021.

For the year ended 31 December 2025, details of the changes in share capital of the Company are set out in Note 26(b) to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures for the year ended 31 December 2025.



VI. Report of the Board

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and community in which it operates. The Group operates its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations. Further details of the Group's environmental policy and performance will be disclosed in the Environmental, Social and Governance Report of the Group for the year ended 31 December 2025, which has been published at the same time as this annual report in accordance with the Listing Rules.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group for the year ended 31 December 2025 are set out in the "X. Consolidated Statement of Changes in Equity" of this annual report.

As at 31 December 2025, our aggregate amount of reserve available for distribution to equity Shareholders of the Company was approximately RMB536.9 million.

INVESTMENT PROPERTIES

As at 31 December 2025, the details of the Group's significant properties held for investment are set out in Note 11 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

INTANGIBLE ASSETS

Details of the movements in intangible assets of the Group for the year ended 31 December 2025 are set out in Note 13 to the consolidated financial statements.



VI. Report of the Board

BORROWINGS

As at 31 December 2025, the Group had no borrowings or bank loans.

PLEDGE OF ASSETS

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

DIRECTORS' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS

Directors' emoluments and the five highest paid individuals' remuneration of the Company for the year ended 31 December 2025 are set out in Notes 8 and 9 to the consolidated financial statements of the Group.

There was no arrangement under which a Director or senior management of the Company has waived or agreed to waive any remuneration for the year ended 31 December 2025.

The emoluments of the Directors and senior management of the Company were subject to the confirmation by the Remuneration and Evaluation Committee of the Company. The Company strictly abided by the requirements under the relevant standards and policies of the Company with regard to the emoluments of the Directors and senior management. Directors' emoluments (including salaries and other benefits) were recommended by the Remuneration and Evaluation Committee of the Company to the Board for approval upon taking into account factors such as the Company's business results and Directors' performance and responsibilities.

RETIREMENT BENEFIT PLAN

(1) Basic Pension Insurance

All full-time employees of the Group are covered by the basic pension insurance formulated by the government according to the national policy. The Group was required to make specified contributions to the basic pension insurance, limited to a maximum rate of 20% (2024: 20%) of the employees' basic salaries subject to certain ceiling as stipulated by the government for the year ended 31 December 2025. And the employee was required to make contributions to the basic pension insurance in proportion to his/her salary as stipulated by the government. After an employee reaches the statutory retirement age, he or she will receive a basic pension on a monthly basis. Except for the above monthly paid premiums, the Group does not undertake further payment obligations. The corresponding expenses are included in current profit or loss or the cost of related assets when they are incurred. In addition, the Group has maintained an enterprise annuity scheme. The expenses required for the enterprise annuity are jointly paid by the enterprise and employees. Employees may choose to join the Company's enterprise annuity scheme on a voluntary basis. For the year ended 31 December 2025, the aggregate enterprise annuity expenses of the Company amounted to approximately RMB3.71 million (2024: RMB6.41 million). The expenditure is included in the current profit or loss or the cost of related assets when they are incurred. As at 31 December 2025, no forfeited contributions were available to reduce its contributions to the defined contribution retirement plans administered by the Group in future years.



VI. Report of the Board

(2) Defined Benefit Retirement Plans

For the year ended 31 December 2025, the Group had a defined benefit retirement plans to pay post-employment benefits to certain of our retirees, inactive employees and active employees after their normal retirement age in the PRC. No assets provision was made in respect of the defined benefit retirement plans, and the Company planned to use the daily operation funds for the relevant payments of the plan and recognized that there was no material deficiency. The actuarial valuations of the present value of the defined benefit retirement plans were carried out by an independent firm of actuaries, Willis Towers Watson, a member of China Association of Actuaries, using the Projected Unit Credit actuarial cost method, the significant actuarial assumptions of which included discount rate, annual turnover rate, annual increase rate of medical benefits and mortality rate. As at 31 December 2025, the present value of the defined benefit obligations amounted to RMB62,315 thousand (31 December 2024: RMB66,359 thousand).

Details of the retirement benefit plan of the Group are set out in Note 23 to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the past five financial years is set out in the section “II. Financial Summary and Five Year Financial Summary” of this annual report.

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

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sales of treasury shares (as defined in the Listing Rules)). As at the end of the Reporting Period, the Company did not hold any treasury shares.

RIGHTS OF PRE-EMPTION

According to the PRC laws and the Articles of Association, there is no arrangement for the rights of pre-emption.

TAX RELIEF AND EXEMPTION TO HOLDERS OF LISTED SECURITIES

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

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2025, no equity-linked agreement was entered into by the Group or still in effect.



VI. Report of the Board

DIRECTORS

For the year ended 31 December 2025 and up to the date of this report, the Directors of the Company include:

Name of Directors	Position
Mr. Zhang Weize (張偉澤) (Chairman) (appointed on 22 December 2020)	Executive Director
Mr. Yang Jun (楊軍) (appointed on 22 December 2020)	Executive Director
Mr. Luo Zhou (羅周) (appointed on 22 December 2020)	Executive Director
Ms. Jiang Xin (蔣鑫) (appointed on 28 October 2022)	Non-executive Director
Mr. Mao Lei (毛磊) (appointed on 22 December 2020)	Non-executive Director
Mr. Li Zuoyang (李作揚) (appointed on 22 May 2024)	Non-executive Director
Mr. Cheng Peng (程鵬) (appointed on 11 October 2021)	Independent non-executive Director
Mr. Kong Weiping (孔偉平) (appointed on 11 October 2021)	Independent non-executive Director
Mr. Kong Chi Mo (江智武) (appointed on 11 October 2021)	Independent non-executive Director

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual written confirmation from each of the independent non-executive Director (namely Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo) in respect of his independence pursuant to Rule 3.13 of the Listing Rules, and therefore the Company is of the view that all such Directors are independent persons for the year ended 31 December 2025.

SERVICE CONTRACTS OF DIRECTORS

Each of the Directors has entered into a service contract with the Company and the principal particulars of the service contracts of the Directors are: (a) each of the contracts is for a term until 22 May 2027 following their respective appointment dates; and (b) each of the contracts is subject to termination upon expiration of the respective term of office of each of the Directors. The service contracts may be renewed in accordance with the Articles of Association and applicable rules.

The term of office of the current Board of Directors will expire on 22 May 2027. Save as disclosed above, as of 31 December 2025, none of the Directors has a service contract with the Company which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).



VI. Report of the Board

MATERIAL INTERESTS OF DIRECTORS IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

For the year ended 31 December 2025, none of the Director or any entity connected with the Directors of the Company is materially interested in, either directly or indirectly, any material transactions, arrangements or contracts relating to the business of the Company to which the Company or any of its subsidiaries is a party.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

For the year ended 31 December 2025, none of the Directors or any of their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete with the Company's business as required to be disclosed under Rule 8.10 of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, none of the Directors and chief executives had or was deemed to have any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO); or which are recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2025 were there any rights to acquire benefits by means of the purchase of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no subsisting arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors to acquire such rights in any other body corporate.

VI. Report of the Board

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the persons (other than Directors and chief executives of the Company) or corporations who had an interest or short position in the shares and/or underlying shares of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Shareholder	Class of Shares	Capacity	Number of Shares/ underlying Shares held (shares) ^(Note 1)	Percentage of shareholding in the relevant class of Shares (%) ^(Note 2)	Percentage of shareholding in the total Shares (%) ^(Note 3)
Beijing Urban Construction Group Co., Ltd. ^(Note 4)	Domestic Shares	Beneficial owner	38,779,865(L)	35.25	26.44
		Interest held by a controlled corporation	69,973,674(L)	63.61	47.71
Beijing Urban Construction Investment & Development Co., Ltd. ^(Note 4)	Domestic Shares	Beneficial owner	49,092,189(L)	44.63	33.47
Beijing Uni.-Construction Group Co., Ltd. ^(Note 4)	Domestic Shares	Beneficial owner	20,881,485(L)	18.98	14.24
Hua An Fund Management Co., Ltd. (on behalf of Hua An Fund – Jinying QDII Single Asset Management Plan and Hua An Fund – Jinxi QDII Single Asset Management Plan) ^(Note 5)	H Shares	Asset manager	7,438,400(L)	20.29	5.07
Beijing Urban Construction Sixth Group Co., Ltd. ^(Note 5)	H Shares	Principal	3,719,200(L)	10.14	2.54
Beijing Urban Construction Great Wall Construction Group Co., Ltd. (北京城建長城建設集團有限公司) ^(Note 5)	H Shares	Principal	3,719,200(L)	10.14	2.54
QILU FORWARD INTERNATIONAL CO., LIMITED ^(Note 6)	H Shares	Beneficial owner	5,002,800(L)	13.64	3.41
HWABAO TRUST CO., LTD ^(Note 7)	H Shares	Trustee	3,686,000(L)	10.05	2.51
Beijing Urban Construction North Group Co., Ltd. ^(Note 7)	H Shares	Principal	3,686,000(L)	10.05	2.51
Hu Junsheng (胡軍省) ^(Note 8)	H Shares	Interest held by a controlled corporation	3,617,600(L)	9.87	2.47
Caitong Fund Caitong Overseas No.130 (QDII) Single Asset Management Plan ^(Note 8)	H Shares	Trustee	3,617,600(L)	9.87	2.47
Glodon Company Limited (廣聯達科技股份有限公司) ^(Note 9)	H Shares	Interest held by a controlled corporation	5,132,400(L)	14.00	3.50



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Notes:

1. The letter "L" denotes the person's long position in the shares.
2. Calculated based on the Company's 110,000,000 domestic shares or 36,667,200 H shares in issue as at 31 December 2025.
3. Calculated based on the total number of 146,667,200 shares of the Company in issue as at 31 December 2025.
4. 45.51% of the shares of BUCID are held by BUCG; BUCC is directly and wholly owned by BUCG.
5. Based on the disclosure of interests form submitted by Hua An Fund Management Co., Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, Hua An Fund Management Co., Ltd. is the asset manager of two QDII asset management plan products including (1) Hua An Fund – Jinying QDII Single Asset Management Plan and (2) Hua An Fund – Jinxi QDII Single Asset Management Plan. Based on the disclosure of interests form submitted by Beijing Urban Construction Sixth Group Co., Ltd. on 11 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction Sixth Group Co., Ltd. is the principal of the above-mentioned Hua An Fund – Jinxi QDII Single Asset Management Plan. Based on the disclosure of interests form submitted by Beijing Urban Construction Great Wall Construction Group Co. Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction Great Wall Construction Group Co. Ltd. is the principal of the above-mentioned Hua An Fund – Jinying QDII Single Asset Management Plan.
6. Based on the disclosure of interests form submitted by Lushang Group (Hongkong) Co., Limited on 19 November 2021 in respect of the relevant event that occurred on 10 November 2021, Lushang Group (Hongkong) Co., Limited holds 5,002,800 H shares of the Company as a beneficial owner. As confirmed by Lushang Group (Hongkong) Co., Limited, the beneficial owner of the aforesaid H shares interest was changed to QILU FORWARD INTERNATIONAL CO., LIMITED on 5 September 2023.
7. Based on the disclosure of interests form submitted by Beijing Urban Construction North Group Co., Ltd. on 12 November 2021 and HWABAO TRUST CO., LTD on 18 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction North Group Co., Ltd. holds 3,686,000 H shares of the Company (as an asset principal) through the investment product – Hwabao Overseas Market Investment II (45-15 QDII Single Fund Trust) of HWABAO TRUST CO., LTD (as a trustee).
8. Based on the disclosure of interests form submitted by Hu Junsheng on 15 November 2021 and Caitong Fund Caitong Overseas 130 (QDII) Single Asset Management Plan on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through Beijing Urban Construction Far East Construction Investment Group Co., Ltd. Beijing Urban Construction Far East Construction Investment Group Co., Ltd. is 55% owned by Beishi Investment Group Co., Ltd., which is 51.35% owned by Hu Junsheng. Beijing Urban Construction Far East Construction Investment Group Co., Ltd. (as an asset principal) holds 3,617,600 H shares of the Company through Caitong Fund Caitong Overseas 130 (QDII) Single Asset Management Plan.
9. Based on the disclosure of interests form submitted by Glodon Company Limited on 21 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through its direct wholly-owned subsidiary Glodon (Hong Kong) Software Limited. Diao Zhizhong indirectly controls 16% of the equity of Glodon Company Limited.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any other interests or short positions held by any other person in the shares or underlying shares of the Company which were required to be recorded or otherwise disclosed to the Company under the SFO.



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SHARE APPRECIATION RIGHTS INCENTIVE SCHEME

Following the approval at the 2023 first extraordinary general meeting of the Company dated 19 December 2023, the Company adopted the Share Appreciation Rights Incentive Scheme (the “**Scheme**”) and the related grant proposal (the “**Related Grant Proposal**”). The Scheme aims to further refine the corporate governance structure and long-term incentive mechanism of the Company, and better motivate the management team and core backbone employees. It will also effectively promote the achievement of the medium and long-term strategic goal of the Company, establish a long-term incentive mechanism closely linked to the operating performance and long-term strategies of the Company, and optimise the overall remuneration structure of the Company. According to the rules of the Scheme, all the Share Appreciation Rights granted to the Incentive Recipients under the Scheme shall not be effective within two years (24 months) from the date of grant, nor shall be exercised prior to becoming effective. Subject to the satisfaction of the exercise conditions, the Share Appreciation Rights shall take effect in three batches in proportion to 34%, 33%, and 33% by the end of the second anniversary (24 months), the third anniversary (36 months) and the fourth anniversary (48 months) from the grant date, respectively. For details of the Scheme and the Related Grant Proposal, please refer to the announcement of the Company dated 26 July 2023 and the circular dated 30 November 2023.

The Scheme and the Related Grant Proposal would not involve the grant of new shares to be issued by the Company or any of its subsidiaries or any share options in connection therewith and therefore, it does not fall within the ambit of, and is not subject to the requirements under Chapter 17 of the Listing Rules.

The Board considered and approved the resolution on the implementation of the initial grant of the share appreciation rights (the “**Initial Grant**”) on 19 December 2023. On the initial grant date, the Board granted an aggregate number of 3,420,000 share appreciation rights to a total of 27 incentive recipients, with the number of the underlying H shares accounting for approximately 2.33% of the total issued share capital of the Company on the initial grant date. For details of the Initial Grant, please refer to the announcement of the Company dated 19 December 2023.

The Board considered and approved the resolution on the implementation of the grant of the 400,000 reserved share appreciation rights (the “**Reserved Grant**”) on 16 December 2024. On the date of the Reserved Grant, the Board granted an aggregate number of 400,000 share appreciation rights to a total of four incentive recipients, with the number of the underlying H shares accounting for approximately 0.27% of the total issued share capital of the Company on the date of the Reserved Grant. For details of the Reserved Grant, please refer to the announcement of the Company dated 16 December 2024.



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Reference is made to the announcement dated 19 December 2025, and it is hereby clarified that in respect of the failure to satisfy the exercise conditions of the Share Appreciation Rights as set out in that announcement: (i) the Initial Grant entered into the first effective period on 19 December 2025, and according to the financial statements of the Company for the year ended 31 December 2024, the exercise conditions to the first effective period of the Initial Grant have not been fulfilled. Therefore, 34% of the 3,420,000 Share Appreciation Rights under the Initial Grant (i.e., 1,162,800 Share Appreciation Rights) would not be exercisable on 19 December 2025, (ii) the Reserved Grant entered into the first effective period on 16 December 2026, and according to the financial statements of the Company for the year ended 31 December 2024, the exercise conditions to the first effective period of the Reserved Grant have not been fulfilled. Therefore, 34% of the 400,000 Share Appreciation Rights under the Reserved Grant (i.e., 136,000 Share Appreciation Rights) would not be exercisable on 16 December 2026; and (iii) in addition, three Incentive Recipients under the Initial Grant holding 370,000 Share Appreciation Rights were no longer eligible to participate in the Scheme due to retirement and position reassignment. As the relevant exercise conditions have not been fulfilled, the 1,407,000 Share Appreciation Rights (including 370,000 Share Appreciation Rights held by the three Incentive Recipients who lost eligibility) under the Initial Grant and the 136,000 Share Appreciation Rights under the Reserved Grant shall be cancelled. Upon cancellation, the total of 1,543,000 Share Appreciation Rights would be invalid and no longer exercisable.

PERMITTED INDEMNITY PROVISION

The Company has maintained liability insurance for the Directors and senior management to protect them from any legal liability to any third party arising from corporate activities.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2025.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company and BUCG, our controlling Shareholder, entered into a non-competition agreement dated 11 October 2021 in favor of the Company (the “**Non-Competition Agreement**”). Please refer to “Relationship with Controlling Shareholders – Non-Competition Agreement” in the Prospectus of the Company dated 29 October 2021 for more details.

For the year ended 31 December 2025, BUCG, our controlling Shareholder, confirmed that it had complied with the non-competition undertaking.

The independent non-executive Directors have reviewed the confirmation letter in relation to BUCG’s compliance with the non-competition undertaking for the year ended 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the total procurement from the five largest suppliers of the Group was less than 30% of the total procurement of the Group, and the total revenue from the five largest customers was also less than 30% of the total revenue of the Group.

CONTROLLING SHAREHOLDERS’ INTERESTS IN SIGNIFICANT CONTRACTS

Saved as disclosed under the sections headed “Continuing Connected Transactions” and “Connected Transaction” below, neither the Company nor any of its subsidiaries entered into any significant contracts with the controlling Shareholders of the Company or any of its subsidiaries for the year ended 31 December 2025.



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CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2025, the Group entered into a number of non-exempted continuing connected transactions with the following connected persons. The Group has made the following relevant disclosures in accordance with the requirements of the Listing Rules:

1. Trademark Licensing

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a trademark licensing framework agreement with BUCG (for itself and on behalf of its associates) (the “**2021 Trademark Licensing Framework Agreement**”), pursuant to which BUCG and its associates agreed to irrevocably and unconditionally grant to the Group non-transferable and non-exclusive license to use certain trademarks registered in the PRC or Hong Kong on a royalty-free basis, for a term commencing from the date of the 2021 Trademark Licensing Framework Agreement up to and including 31 December 2023.

On 10 October 2023, the Company entered into the 2023 Trademark Licensing Framework Agreement with BUCG to renew the 2021 Trademark Licensing Framework Agreement, for a term commencing from 1 January 2024 to 31 December 2026.

2. BUCG Property Leasing Framework Agreement

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a property leasing framework agreement with BUCG (for itself and on behalf of its associates) (the “**2021 BUCG Property Leasing Framework Agreement**”), pursuant to which, (i) the Group agreed to lease certain properties from BUCG and its associates, including but not limited to houses, office buildings and carpark spaces; and (ii) BUCG and its associates agreed to lease certain properties from the Group, including but not limited to houses, office buildings and carpark spaces, for a term commencing from the Listing Date up to and including 31 December 2023.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into the 2024 BUCG Property Leasing Framework Agreement (the “**2024 BUCG Property Leasing Framework Agreement**”) with BUCG (for itself and on behalf of its associates) to renew the 2021 BUCG Property Leasing Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps, which refer to both estimated rental expenses and recognition of right-of-use assets from certain property leases, for the Group’s leases from BUCG and its associates under the 2024 BUCG Property Leasing Framework Agreement for the three years ending 31 December 2026 are RMB180,617 thousand (among which approximately RMB171,250 thousand will be recognized as right-of-use assets from the certain property leases, and approximately RMB9,367 thousand will be rental expenses), RMB100,881 thousand (among which approximately RMB91,250 thousand will be recognized as right-of-use assets from certain property leases, and approximately RMB9,631 thousand will be rental expenses) and RMB101,134 thousand (among which approximately RMB91,250 thousand will be recognized as right-of-use assets from certain property leases, and approximately RMB9,884 thousand will be rental expenses), respectively. The annual caps for BUCG’s and its associates’ lease from the Group are RMB24,000 thousand, RMB28,800 thousand and RMB34,560 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.



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For the year ended 31 December 2025, the total transaction amount for the Group's lease from BUCG and its associates under the 2024 BUCG Property Leasing Framework Agreement was RMB3,543 thousand (among which, the right-of-use assets were RMB2,933 thousand and the rental expenses were RMB610 thousand). The total transaction amount for BUCG's and its associates' lease from the Group was RMB5,524 thousand.

3. Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries (other than Beijing Senqi Greening Engineering Co., Ltd. ("**Senqi Greening**"))) entered into a commercial operational services and value-added services framework agreement with Senqi Greening (for itself and on behalf of its subsidiaries) (the "**2021 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement**"), pursuant to which Senqi Greening agreed to provide to the Group commercial operational services and value-added services, including but not limited to consultancy services, small-scale greening construction services, and green conservation services, for a term commencing from the Listing Date up to and including 31 December 2023.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries (other than Senqi Greening)) entered into the 2024 commercial operational services and value-added services framework agreement (the "**2024 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement**") with Senqi Greening (for itself and on behalf of its subsidiaries) to renew the 2021 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fees payable by the Group (other than Senqi Greening) under the 2024 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement for the three years ending 31 December 2026 are RMB11,505 thousand, RMB12,655 thousand, and RMB13,921 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 for details.

For the year ended 31 December 2025, the total transaction amount generated from the service fees paid by the Group (other than Senqi Greening) under the 2024 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement was RMB6,486 thousand.

4. Property Management Services Framework Agreement

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a property management services framework agreement with BUCG (for itself and on behalf of its associates) (the "**2021 Property Management Services Framework Agreement**"), pursuant to which the Group agreed to provide to BUCG and its associates property management services, including but not limited to security, cleaning, greening, gardening and repair and maintenance services in respect of (i) property units developed by BUCG and its associates which have been completed and are either unsold or sold but not yet delivered to the buyers; and (ii) residential communities, office buildings and other properties owned, used or operated by BUCG and its associates, for a term commencing from the Listing Date up to and including 31 December 2023.



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On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into the 2024 property management services framework agreement (the “**2024 Property Management Services Framework Agreement**”) with BUCG (for itself and on behalf of its associates) to renew the 2021 Property Management Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fees payable by the BUCG and its associates under the 2024 Property Management Services Framework Agreement for the three years ending 31 December 2026 are RMB203,719 thousand, RMB234,277 thousand, and RMB269,418 thousand. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2025, the total transaction amount generated from the service fees paid by BUCG and its associates under the 2024 Property Management Services Framework Agreement was RMB147,959 thousand.

5. **BUCG Commercial Operational Services and Value-Added Services Framework Agreement**

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a commercial operational services and value-added services framework agreement with BUCG (for itself and on behalf of its associates) (the “**2021 BUCG Commercial Operational Services and Value-Added Services Framework Agreement**”), pursuant to which the Group agreed to provide to BUCG and its associates commercial operational services and value-added services, including but not limited to (i) operation and management services, such as positioning and design services, tenant sourcing services, carpark space operation and management services, and other management services; and (ii) value-added services, such as consultancy services, carpark space sales agency services, and small-scale construction, repair and greening services, for a term commencing from the Listing Date up to and including 31 December 2023.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into the 2024 commercial operational services and value-added services framework agreement (the “**2024 BUCG Commercial Operational Services and Value-Added Services Framework Agreement**”) with BUCG (for itself and on behalf of its associates) to renew the 2021 BUCG Commercial Operational Services and Value-Added Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fee payable by BUCG and its associates under the 2024 BUCG Commercial Operational Services and Value-Added Services Framework Agreement for the three years ending 31 December 2026 are RMB194,788 thousand, RMB214,267 thousand and RMB235,693 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2025, the total transaction amount generated from the service fees paid by BUCG and its associates under the 2024 BUCG Commercial Operational Services and Value-Added Services Framework Agreement was RMB192,286 thousand.



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6. Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries (other than Tiannuo Property)) entered into a commercial operational services and value-added services framework agreement with Tiannuo Property (for itself and on behalf of its subsidiaries) (the “**2021 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement**”), pursuant to which Tiannuo Property and the Group (other than Tiannuo Property) agreed to provide each other with commercial operational services and value-added services, including but not limited to (i) operation and management services, such as positioning and design services, tenant sourcing services, carpark space operation and management services, and other management services; and (ii) value-added services, such as consultancy services, carpark space sales agency services, and small-scale construction, repair and greening services, for a term commencing from the Listing Date up to and including 31 December 2023.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries (other than Tiannuo Property)) entered into the 2024 commercial operational services and value-added services framework agreement (the “**2024 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement**”) with Tiannuo Property (for itself and on behalf of its subsidiaries) to renew the 2021 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fee payable by the Group (other than Tiannuo Property) under the 2024 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement for the three years ending 31 December 2026 are RMB200 thousand, RMB240 thousand and RMB288 thousand, respectively, and the annual caps of the total service fee payable by Tiannuo Property are RMB542 thousand, RMB651 thousand and RMB781 thousand. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2025, the total transaction amount generated from the service fees paid by the Group (other than Tiannuo Property) under the 2024 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement was RMB94 thousand, and the total transaction amount generated from the service fees paid by Tiannuo Property was RMB598 thousand.

7. Engineering and Laboring Services Framework Agreement

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into an engineering and laboring services framework agreement with BUCG (for itself and on behalf of its associates) (the “**2021 Engineering and Laboring Services Framework Agreement**”), pursuant to which BUCG and its associates agreed to provide to the Group engineering and laboring services, including but not limited to (i) engineering design, construction and laboring services (such as installation and replacement of large-scale equipment or heavy machinery); and (ii) provision of equipment or machinery for our use and operation (such as heat energy generation plants), etc., for a term commencing from the Listing Date up to and including 31 December 2023.



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On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into the 2024 engineering and laboring services framework agreement (the **“2024 Engineering and Laboring Services Framework Agreement”**) with BUCG (for itself and on behalf of its associates) to renew the 2021 Engineering and Laboring Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fee payable by the Group under the 2024 Engineering and Laboring Services Framework Agreement for the three years ending 31 December 2026 are RMB55,000 thousand, RMB57,750 thousand and RMB60,638 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2025, the total transaction amount generated from the service fees paid by the Group under the 2024 Engineering and Laboring Services Framework Agreement was RMB23,793 thousand.

8. Property Ancillary Services Framework Agreement

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a property ancillary services framework agreement with BUCG (for itself and on behalf of its associates) (the **“2021 Property Ancillary Services Framework Agreement”**), pursuant to which the Group agreed to provide to BUCG and its associates property ancillary services, including but not limited to (i) catering services; and (ii) heat energy supply services, for a term commencing from the Listing Date up to and including 31 December 2023.

On 10 October 2023, the Company entered into the 2024 property ancillary services framework agreement (the **“2024 Property Ancillary Services Framework Agreement”**) with BUCG to renew the 2021 Property Ancillary Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fee payable by BUCG and its associates under the 2024 Property Ancillary Services Framework Agreement for the three years ending 31 December 2026 are RMB34,489 thousand, RMB37,938 thousand and RMB41,732 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2025, the total transaction amount generated from the service fees paid by BUCG and its associates under the 2024 Property Ancillary Services Framework Agreement was RMB20,607 thousand.



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9. Carpark Space Leasing and Sales Services Framework Agreement

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into a carpark space leasing and sales services framework agreement with BUCG (for itself and on behalf of its associates) (the “**Carpark Space Leasing and Sales Services Framework Agreement**”), pursuant to which the Group has agreed to provide assistance services for BUCG and its associates in its sale and/or leasing of carpark spaces by adopting the leasing and sales at the base price model and/or the acquisition of rights-of-use model. The Group will enter into specific contracts (the “**Specific Contracts**”) with BUCG and its associates to specify the agreed cooperation of both parties on specific projects and the number of carpark spaces involved (the “**Target Carpark Spaces**”). The term is three years from the date when the Carpark Space Leasing and Sales Services Framework Agreement is considered and approved at the 2023 first extraordinary general meeting of the Company held on 19 December 2023. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

Model I: leasing and sales at the base price model

BUCG and its associates have agreed to entrust the Group to assist them for the sale and/or leasing of the Target Carpark Spaces involved in the Specific Contracts (the “**Exclusive Leasing and Sales Rights**”). During the agreement period of the Specific Contracts, BUCG and its associates shall not entrust the Target Carpark Spaces to other third parties for leasing or sales. The Exclusive Leasing and Sales Rights are the sole and exclusive rights entitled to the Group, and any sale, transfer, grant, pledge or any other disposal of any of the Target Carpark Spaces by BUCG and its associates to a third party shall be subject to agreement with the Group.

The annual caps for (1) the deposits (the maximum balance of the deposits to be paid by the Group to BUCG and its associates at any point in time during the relevant period) are RMB26,360 thousand, RMB59,765 thousand, RMB67,325 thousand and RMB67,920 thousand, respectively; and (2) the service fee are RMB0, RMB18,640 thousand, RMB34,640 thousand and RMB25,600 thousand, respectively under the Carpark Space Leasing and Sales Services Framework Agreement for the period from the effective date to 31 December 2023, for the two years ending 31 December 2025 and for the period from 1 January 2026 to the termination date of the Carpark Space Leasing and Sales Services Framework Agreement under the leasing and sales at the base price model.

For the year ended 31 December 2025, pursuant to the Carpark Space Leasing and Sales Services Framework Agreement, the Group paid to BUCG and its associates (1) the maximum balance of deposits of RMB0; and (2) the total transaction amount generated from the service fee of RMB0, under the leasing and sales at the base price model.



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Model II: acquisition of rights-of-use model

BUCG and its associates agreed to transfer the rights-of-use in the Target Carpark Spaces to the Group. After transfer of the rights-of-use in the Target Carpark Spaces, the scope of the rights-of-use entitled to the Group includes self-use of the Target Carpark Spaces, leasing to the public, and assisting BUCG and its associates in the sale of the carpark spaces. In respect of assisting BUCG and its associates for the sales of the carpark spaces, BUCG and its associates have legally authorized the Group to sell the Target Carpark Spaces to the purchaser and enter into the contract for sale and purchase of the carpark spaces with the purchaser in the name of BUCG and its associates, and to handle the procedures to transfer property rights of the Target Carpark Spaces. The proceeds from the sale of the carpark spaces will be remitted by the purchaser directly to the designated account of BUCG and its associates or the Group.

The annual caps for (1) the transfer price of the rights-of-use of the carpark spaces are RMB126,169 thousand, RMB20,000 thousand, RMB20,000 thousand and RMB20,000 thousand, respectively; and (2) the service fee are RMB23,456, RMB31,366 thousand, RMB12,298 thousand and RMB9,932 thousand, respectively under the Carpark Space Leasing and Sales Services Framework Agreement for the period from the effective date to 31 December 2023, for the two years ending 31 December 2025 and for the period from 1 January 2026 to the termination date of the Carpark Space Leasing and Sales Services Framework Agreement under the acquisition of rights-of-use model.

For the year ended 31 December 2025, pursuant to the Carpark Space Leasing and Sales Services Framework Agreement, the Group paid to BUCG and its associates (1) the transfer price of the rights-of-use of the carpark spaces of RMB11,857 thousand; and (2) the total transaction amount generated from the service fee of RMB1,208 thousand, under the acquisition of rights-of-use model.



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Continuing Connected Transactions Reviewed by Independent Non-executive Directors

According to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the continuing connected transactions and confirmed that they are:

- (1) entered into in the ordinary and usual course of business of the Group;
- (2) conducted on normal commercial terms or better; and
- (3) conducted pursuant to the agreement of the related transaction, on fair and reasonable terms and in the interests of the Shareholders of the Company as a whole.

The Company has followed its pricing policies when determining the price and terms of the continuing connected transactions conducted during the year ended 31 December 2025.

Confirmation from the Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor, KPMG, was engaged by the Board 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 (Revised), "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on the work performed, the auditor of the Company confirmed to the Board of Directors that:

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



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RELATED PARTY TRANSACTIONS

Details of the material related party transactions entered into by the Group during the year ended 31 December 2025 are set out in Note 29 to the consolidated financial statements. Save as disclosed above, the related party transactions set out in the note above do not fall within the definition of “connected transaction” or “continuing connected transaction” under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the above continuing connected transactions and connected transaction.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 1,824 employees (as at 31 December 2024: 1,871 employees). For the year ended 31 December 2025, the total staff costs were approximately RMB369.2 million (2024: approximately RMB367.6 million). The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions in order to encourage value creation of employees. The Group also provides employees with employee benefits including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund.

EMPLOYEE TRAINING AND DEVELOPMENT

The Group places a strong emphasis on recruiting high-quality personnel and provides employees with continuous training programs and career development opportunities. Through creating a supply chain of five key talent teams, including senior management, project managers, project junior staff, staff from campus recruitment and professionals, we provide more comprehensive job training for our employees.

EVENTS AFTER THE REPORTING PERIOD

Save for Note 31 to the consolidated financial statements in this annual report, there were no significant events subsequent to 31 December 2025 and up to the date of this report that might have a material impact on the Group’s operating and financial performance that need to be disclosed.

MATERIAL LITIGATION

During the year ended 31 December 2025, the Group was not engaged in any material litigation or arbitration which could have a material effect on its financial condition or results of operations. So far as the Directors are aware, no such litigation or arbitration of material importance is pending or threatened against the Group.

AUDITOR

The shares of the Company have been listed on the Hong Kong Stock Exchange since 10 November 2021 and there has been no change in the auditor since the Listing Date. The 2024 annual general meeting of the Company held on 22 May 2025 reviewed and approved the appointment of KPMG as the 2025 IFRS Accounting Standards Auditor of the Company and authorized the Board or Audit Committee to determine its remuneration. The consolidated financial statements for the year ended 31 December 2025 have been audited by KPMG, Certified Public Accountants, which will be subject to nomination for re-appointment at the forthcoming annual general meeting.



VI. Report of the Board

ACCOUNTS REVIEW

The Audit Committee of the Company has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2025, and discussed with the management and auditors of the Company the accounting principles and practices adopted by the Group, as well as risk management, internal control and financial reporting related matters.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is subject to various laws and regulations, primarily including the Company Law of the PRC, the Civil Code of the PRC, the Labor Law of the PRC, the Labor Contract Law of the PRC, the Bidding Law of the PRC, the Environmental Protection Law of the PRC, the Production Safety Law of the PRC, the Fire Control Law of the PRC and the Land Administration Law of the PRC as well as the Provisions on Property Management and the Regulations on Safety Supervision of Special Equipment promulgated by the State Council of the PRC.

For the year ended 31 December 2025, the Company's business had complied with the relevant laws and regulations in all material aspects and had not seriously breached or violated any laws and regulations applicable to the Company which would result in a material and adverse impact on the business or financial condition of the Company as a whole.

PUBLIC FLOAT

Based on the published information and to the knowledge of the Directors, for the year ended 31 December 2025 and as at the date of this annual report, the Company maintained sufficient public float in compliance with the Listing Rules.

CHARITABLE DONATIONS

During the year, the Group actively fulfilled its social responsibilities as a state-owned enterprise by donating HK\$3 million in response to the fire incident at Wang Fuk Court in Tai Po, Hong Kong. The donation was dedicated to fully support post-disaster relief and reconstruction efforts and to demonstrate the responsibility and strength of a capital-based state-owned enterprise through concrete actions.

RELATIONSHIPS WITH STAKEHOLDERS

The Company deeply believes that our employees, customers and business partners are key to our sustainable development. The Company strives to achieve corporate sustainability through engaging our employees, providing customers with quality services, collaborating with business partners and supporting public welfare.

The Company places significant emphasis on human resources. The Company provides a fair workplace to employees and embraces inclusiveness and multi-cultural backgrounds. Employees are also provided with competitive remuneration packages and a wide range of opportunities for career advancement based on their performance. The Company administers its health and safety management system for employees and ensures the implementation of the principles adopted by the Company. Regular training is provided to employees to keep them abreast of the latest development in the market and industry, in the form of both internal training and training courses provided by external professional organisations.



VI. Report of the Board

The Company values the feedback from customers which is obtained through daily communication and other surveys. Moreover, the Company has also established a mechanism for customer service and support. The Company sees rendering services to customers as a valuable opportunity to improve its relationship with customers and will respond promptly.

The Company understands that the role of suppliers is equally important for providing quality services, therefore it has actively cooperated with business partners to provide premium and sustainable services.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Company has been actively promoting sustainable development and environmental protection. It has been proactive in facilitating and achieving effective use of resources during its operation and has strictly complied with laws and regulations in connection with environmental protection and health. At the same time, various types of environmental and public welfare activities were held in the course of its operation to promote the concept of environmental protection to every sector of the society in order to build a green and wonderful future together.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company believes that promoting sustainable development is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainable development in its operations. The Company is committed to strengthening its management's efforts to promote a sustainable development plan through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate the Group's commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under the Environmental, Social and Governance Reporting Code as specified in Appendix C2 to the Listing Rules. The report will present the Company's commitment to sustainable development during the year under review, and it will cover the significant economic, environmental and social achievements and impacts arising from the activities of the Company and its joint ventures.

By order of the Board
Beijing Capital Jiaye Property Services Co., Limited
Zhang Weize
Chairman

Beijing, the PRC,
24 April 2026



VII. Independent Auditor's Report

Independent auditor's report to the shareholders of Beijing Capital Jiaye Property Services Co., Limited
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Beijing Capital Jiaye Property Services Co., Limited ("the Company") and its subsidiaries ("the Group") set out on pages 87 to 164, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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



VII. Independent Auditor's Report

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Expected credit loss allowance of trade receivables

Refer to Note 18 and Note 27(a) to the consolidated financial statements and the accounting policy in Note 2(k).

The Key Audit Matter

As at 31 December 2025, the Group's gross trade receivables and an allowance for expected credit losses ("ECLs") amounted to RMB951,850,000 and RMB241,985,000, respectively.

The Group's trade receivables comprised mainly receivables from property owners (mainly third parties) and property developers (mainly related parties).

Management measured the loss allowance at an amount equal to lifetime ECL of the trade receivables based on the loss patterns for different categories of customers, ageing of trade receivables and historical loss rate, and takes into account current market conditions and forward-looking information.

We identified the ECL allowance of trade receivables as a key audit matter because the balance of trade receivables is significant to the Group's consolidated financial statements and determining the level of the loss allowance is inherently subjective and requires the exercise of significant management judgement.

How the matter was addressed in our audit

Our audit procedures to assess ECL allowance of trade receivables included the following:

- obtaining an understanding of and evaluating the design, implementation and operating effectiveness of key internal controls relating to credit control, categorisation of trade receivables, ageing analysis review and estimation of ECLs;
- evaluating the Group's policy for estimating the credit loss allowance with reference to the requirements of the prevailing accounting standard;
- obtaining an understanding on the key data and assumptions of the ECL model adopted by management, including the basis of categorisation of trade receivables based on credit loss characteristics, historical default data and assumptions used in management's estimated loss rates;
- assessing the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates, including testing accuracy of the historical default data and evaluating whether historical loss rates are appropriately adjusted after taking into consideration current economic conditions and forward-looking information;
- assessing, on a sample basis, whether items in the trade receivables ageing report were categorised in the appropriate ageing bracket by comparing individual items with the demand notes or sales invoices; and
- re-performing the calculation of the loss allowance as at 31 December 2025 based on the Group's ECLs allowance policies.



VII. Independent Auditor's Report

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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 are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.



VII. Independent Auditor's Report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, 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.



VII. Independent Auditor's Report

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 Wong Chi Kin (practising certificate number: P08076).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025
(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	2,292,046	1,983,611
Cost of sales		(1,973,682)	(1,629,470)
Gross profit		318,364	354,141
Other expense	5	(20,023)	(436)
Administrative expenses		(174,130)	(183,509)
Selling expenses		(10,867)	(10,099)
Expected credit loss on trade and other receivables	6(d)	(56,256)	(58,754)
Profit from operations		57,088	101,343
Finance income	6(a)	14,392	14,071
Finance costs	6(b)	(2,599)	(5,407)
Share of profit of an associate		1,023	644
Profit before taxation	6	69,904	110,651
Income tax	7(b)	(18,308)	(26,022)
Profit for the year		51,596	84,629
Attributable to:			
Equity shareholders of the Company		51,975	79,671
Non-controlling interests		(379)	4,958
		51,596	84,629

The notes on pages 94 to 164 form part of these financial statements.



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025
(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Profit for the year		51,596	84,629
Other comprehensive income for the year			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations	23(b)	5,879	794
Income tax relating to remeasurement of defined benefit obligations		(1,470)	(199)
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves	27(d)	(18,192)	(13,682)
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		4,549	3,420
Other comprehensive income for the year		(9,234)	(9,667)
Total comprehensive income for the year		42,362	74,962
Attributable to:			
Equity shareholders of the Company		42,741	70,004
Non-controlling interests		(379)	4,958
		42,362	74,962
Earnings per share	10		
Basic and diluted (RMB)		0.35	0.54

The notes on pages 94 to 164 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 26(c).

Consolidated Statement of Financial Position

At 31 December 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Investment properties	11	105,000	107,500
Property, plant and equipment and right-of-use assets	12	165,601	199,827
Intangible assets	13	13,028	11,689
Other financial assets	15	27,522	45,714
Investment in an associate	16	5,284	4,261
Time deposits with original maturity over one year	19(a)	100,000	–
Deferred tax assets	25(b)	96,148	82,957
		<u>512,583</u>	<u>451,948</u>
Current assets			
Inventories	17	806	661
Trade and other receivables, and prepayments	18	810,632	797,560
Restricted cash	19(a)	12,679	8,263
Time deposits with original maturity over three months	19(a)	500,000	400,000
Cash and cash equivalents	19(a)	720,223	883,012
		<u>2,044,340</u>	<u>2,089,496</u>
Current liabilities			
Trade and other payables	20	1,078,445	1,047,826
Contract liabilities	21	338,951	335,743
Lease liabilities	22	106,728	108,767
Current taxation	25(a)	8,960	24,830
		<u>1,533,084</u>	<u>1,517,166</u>
Net current assets		<u>511,256</u>	<u>572,330</u>
Total assets less current liabilities		<u>1,023,839</u>	<u>1,024,278</u>

The notes on pages 94 to 164 form part of these financial statements.



Consolidated Statement of Financial Position

At 31 December 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities	22	16,703	25,033
Deferred tax liabilities	25(b)	25,695	33,380
Defined benefit obligations	23	62,315	66,359
		<u>104,713</u>	<u>124,772</u>
NET ASSETS			
		<u>919,126</u>	<u>899,506</u>
CAPITAL AND RESERVES			
Share capital	26(b)	146,667	146,667
Reserves		738,242	716,797
Total equity attributable to equity shareholders of the Company		884,909	863,464
Non-controlling interests		34,217	36,042
TOTAL EQUITY		<u>919,126</u>	<u>899,506</u>

Approved and authorised for issue by the board of directors on 27 March 2026.

Name: Zhang Weize

Position: Chairman of the Board

Name: Yang Jun

Position: Director

The notes on pages 94 to 164 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(Expressed in RMB)

Attributable to equity shareholders of the Company									
Note	Share capital	Capital reserve	Statutory surplus reserve	Defined benefit remeasurement obligation reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 26(b)	Note 26(d)(i)	Note 26(d)(ii)	Note 26(d)(iii)	Note 26(d)(iv)				
Balance at 1 January 2024	146,667	244,415	2,711	(6,612)	(24,262)	461,590	824,509	30,702	855,211
Changes in equity for 2024:									
Profit for the year	-	-	-	-	-	79,671	79,671	4,958	84,629
Other comprehensive income	-	-	-	595	(10,262)	-	(9,667)	-	(9,667)
Total comprehensive income	-	-	-	595	(10,262)	79,671	70,004	4,958	74,962
Appropriation to statutory reserve	-	-	3,944	-	-	(3,944)	-	-	-
Dividends approved in respect of the previous years	26(c)	-	-	-	-	(31,049)	(31,049)	-	(31,049)
Distribution to subsidiaries' non-controlling shareholders		-	-	-	-	-	-	(618)	(618)
Capital contribution from a subsidiary's non-controlling shareholder		-	-	-	-	-	-	1,000	1,000
Balance at 31 December 2024	146,667	244,415	6,655	(6,017)	(34,524)	506,268	863,464	36,042	899,506

The notes on pages 94 to 164 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(Expressed in RMB)



Note	Attributable to equity shareholders of the Company																
	Share capital	Capital reserve	Statutory surplus reserve	Defined benefit remeasurement reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity								
										RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
										Note 26(b)	Note 26(d)(i)	Note 26(d)(ii)	Note 26(d)(iii)	Note 26(d)(iv)			
Balance at 1 January 2025	146,667	244,415	6,655	(6,017)	(34,524)	506,268	863,464	36,042	899,506								
Changes in equity for 2025:																	
Profit for the year	-	-	-	-	-	51,975	51,975	(379)	51,596								
Other comprehensive income	-	-	-	4,409	(13,643)	-	(9,234)	-	(9,234)								
Total comprehensive income	-	-	-	4,409	(13,643)	51,975	42,741	(379)	42,362								
Dividends approved in respect of the previous years	26(c)	-	-	-	-	(21,296)	(21,296)	-	(21,296)								
Distribution to subsidiaries' non-controlling shareholders		-	-	-	-	-	-	(1,446)	(1,446)								
Balance at 31 December 2025	146,667	244,415	6,655	(1,608)	(48,167)	536,947	884,909	34,217	919,126								

The notes on pages 94 to 164 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations	19(b)	123,276	274,562
Income taxes paid	25(a)	(51,975)	(44,509)
Net cash generated from operating activities		71,301	230,053
Investing activities			
Purchases of property, plant and equipment		(10,989)	(18,289)
Purchases of intangible assets		(1,140)	–
Proceeds from disposal of property, plant and equipment and right-of-use assets		5,445	431
Placement of time deposits		(900,000)	(400,000)
Withdrawal of time deposits		700,000	–
Interests received		5,888	–
Net cash used in investing activities		(200,796)	(417,858)
Financing activities			
Capital element of lease rentals paid	19(c)	(10,942)	(3,150)
Interest element of lease rentals paid	19(c)	(865)	(455)
Capital injection from a subsidiary's non-controlling shareholder		–	1,000
Dividends paid to equity shareholders of the Company	26(c)	(21,296)	(31,049)
Distribution to subsidiaries' non-controlling shareholders		(219)	(618)
Net cash used in financing activities		(33,322)	(34,272)
Net decrease in cash and cash equivalents		(162,817)	(222,077)
Cash and cash equivalents at 1 January	19(a)	883,012	1,105,235
Effect of foreign exchange rate changes	5	28	(146)
Cash and cash equivalents at 31 December	19(a)	720,223	883,012

The notes on pages 94 to 164 form part of these financial statements.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

1 CORPORATION INFORMATION

Beijing Capital Jiaye Property Services Co., Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 22 December 2020 as a joint stock company with limited liability. The address of the Company’s registered office is Room 503, Building 8, No. 5, Dongzongbu Hutong, Dongcheng District, Beijing, the PRC. The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 November 2021.

The Company and its subsidiaries (together, the “Group”) are primarily engaged in the provision of property management and related services in the PRC.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries and the Group’s interest in an associate.

The functional currency of the Company and its subsidiaries is RMB as all of the Group’s operations are conducted in Chinese Mainland.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- *investment property (see Note 2(h))*
- *other investments in securities (see Note 2(g))*



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises, the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)).

Business combination under common control

Business combination under common control is accounted for using the principle of merger accounting, under which, the consolidated financial statements consolidate the financial results and the financial position of the entities or business which are acquired through business combination under common control as if they had been consolidated from the earliest date presented or since the date when these consolidating entities or business first came under the control of the controlling party, where there is a shorter period.

The net assets of the consolidating entities or business are consolidated using the existing book values from the controlling party’s perspective. No amount is recognised in consideration for goodwill or excess of the acquirers’ interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party’s interest.

The consolidated statements of profit or loss and comprehensive income include the results of each of the consolidating entities or business from the earliest date presented or since the date when the consolidating entities or business first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between consolidating entities or business are eliminated on consolidation.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see Note 2(k)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see Note 2(k)(ii)).

(f) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)). Expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Software	3 to 10 years
– Customer relationship	35 months

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 27(d). These investments are subsequently accounted for as follows, depending on their classification.

Equity securities

An investment in equity in securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such an election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see Note 2(u)(vi)).

(h) Investment property

Investment property is initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(u)(v).

(i) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(j)), are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(w)).



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Buildings	5 to 70 years
– Vehicles	5 to 12 years
– Office and other equipment	3 to 15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(i) As a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(i) and 2(k)(ii)), except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 2(h).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Note 2(g)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

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. The rental income from operating leases is recognised in accordance with Note 2(u)(v).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(j)(i), then the Group classifies the sub-lease as an operating lease.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses (“ECL”)s on:

- financial assets measured at amortised cost (including cash and cash equivalents, time deposits, trade and other receivables);
- and lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and lease receivables (Continued)

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following rate if the effect is material:

- fixed-rate financial assets, time deposits, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- lease receivables: discount rate used in the measurement of the lease receivables.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from possible default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and lease receivables (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

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



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and lease receivables (Continued)

Credit-impaired financial assets (Continued)

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter into bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(ii) Impairment of non-current assets (Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are measured at the lower of cost and net realisable value as follows:

- Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(m) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(u)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(n)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(u)(vii)).

(n) Trade and other receivables

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

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(k)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(k)(i).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognitions, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(w)).



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(r) Employee benefits

(i) **Short term employee benefits and contributions to defined contribution retirement plans**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) **Defined benefit retirement plan obligations**

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iii) **Share-based payments**

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognised in profit or loss.

(iv) **Termination benefits**

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



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to business combinations, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with Note 2(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(k)(ii)).



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Provisions and contingent liabilities (Continued)

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Property management services

For property management services, the Group bills a fixed amount for each month of service provided and recognises revenue in the amount to which the Group has the right to invoice based on the value of performance completed on a monthly basis.

For property management services income arising from properties managed under lump sum basis, where the Group acts as principal, the Group entitles to revenue at the value of property management services fee received or receivable. For property management services income arising from properties managed under commission basis, where the Group acts as an agent of the property owners, the Group entitles to revenue at a pre-determined percentage or fixed amount of the property management services fees the property owners are obligated to pay.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

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

Value-added services to non-property owners mainly include tenant sourcing and management services, sales office and display unit management and pre-delivery support services, landscape engineering services, engineering operations and maintenance services, and preliminary planning and design consultancy services to property developers. The Group recognises revenue when such services have been provided, and these services are normally billable immediately upon the services are rendered or in instalments at certain milestones.

(iii) Community value-added services

Community value-added services mainly include heat energy supply services, carpark space operation services, catering services and property leasing services. For heat energy supply services, the Group bills a fixed amount for each month of service provided and recognises revenue in the amount to which the Group has the right to invoice based on the value of performance completed on a monthly basis. For other value-added services, the Group recognises revenue when the respective services are rendered, and these services are normally billable immediately upon the services are rendered or in instalments at certain milestones.

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

(iv) Sales of parking lots

Revenue arising from the sale of parking lots in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the parking lot and obtain substantially all of the remaining benefits of the parking lot. Deposits and instalments received on parking lots sold prior to the date of revenue recognition are included in the statement of financial position under contract liabilities (see Note 2(m)).

(v) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised in profit or loss as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

(vi) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(vii) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(viii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as deduction to related expenses in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the assets by way of recognised in other income.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Related parties

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

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



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

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

Notes 11, 23, 27(a) and 27(d) contain information about the assumptions and their risk factors relating to valuation of investment property, defined benefit retirement obligations, expected credit losses for receivables and fair value of other equity investments. Key sources of estimation uncertainty in the preparation of the consolidated financial statements are as follows:

(i) Valuation of investment properties

Investment properties are stated at fair value based on the valuation performed by an independent firm of professional valuers after taking into consideration the market evidence of transaction prices, and where appropriate, the rental income allowing for reversionary income potential.

In determining the fair value, the valuers have taken into consideration the market conditions existed at the end of each reporting period or where appropriate, a method of valuation where involves, inter alia, certain estimates including market prices, prevailing market rents for comparable properties in the same location and condition, appropriate discount rate and expected future market rents. In relying on the valuation report, the management has exercised their judgement and are satisfied that the method of valuation is reflective of the prevailing market conditions as at the end of each reporting period.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES *(Continued)*

(ii) Retirement and other supplemental benefit obligations

The retirement and other supplemental benefit obligations are estimated based on a number of factors that are determined on an actuarial basis using a number of assumptions as disclosed in Note 23. The accuracy of the estimate mainly depends on the extent of deviation between the actuarial assumptions and the actual conditions. The Group's actuarial assumptions mainly comprised of but not limited to the following:

- Demographic assumptions:
 - Mortality rate;
 - Annual withdrawal rate.
- Financial assumptions:
 - Discount rate;
 - Annual increase rate of medical benefits;
 - Annual increase rate of basic salary and social security insurance, housing fund and enterprise annuity contributions.

Any changes in these assumptions will have an impact on the carrying amount of retirement and other supplemental benefit obligations.

(iii) Expected credit losses for receivables

The credit losses for trade and other receivables are based on assumptions about risk of expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing economic conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 27(a). Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional loss allowances in future periods.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES *(Continued)*

(iv) Valuation of unlisted equity investments designated at FVOCI

The investment in unlisted equity instrument is accounted for as “financial assets measured at fair value through other comprehensive income” which is stated at fair value. The fair value of the financial asset is determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of the investment. See Note 27(d) for further disclosures.

4 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are the provision of property management services, community value-added services and value-added services to non-property owners. Further details regarding the Group’s principal activities are disclosed in Note 4(b).

(a) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

For property management services, the Group recognises revenue when the services are provided on monthly basis and recognises at the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group has elected the practical expedient not to disclose the remaining performance obligations for this type of contracts. The majority of the property management services do not have a fixed term.

For community value-added services and value-added services to non-property owners, they are rendered in short period of time and there is no significant unsatisfied performance obligation at the end of the reporting period.

(b) Segment reporting

The directors of the Company have been identified as the Group’s most senior executive management. Operating segments are identified on the basis of internal reports that the Group’s most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group’s most senior executive management makes resources allocation decisions based on internal management functions and assesses the Group’s business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

No geographical segment analysis is shown as all of the Group’s revenue are derived from activities in, and from customers located in the PRC and all of the Group’s assets are situated in the PRC.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and disaggregation of revenue by major service lines is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by timing of revenue recognition		
– Revenue recognised over time	2,267,423	1,955,418
– Revenue recognised at point in time	–	1,383
Revenue from other sources		
– Rental income	24,623	26,810
	2,292,046	1,983,611
Revenue disaggregated by service lines		
– Property management services	1,591,441	1,398,652
– Value-added services to non-property owners	308,774	253,597
– Community value-added services	391,831	331,362
	2,292,046	1,983,611

For the year ended 31 December 2025, revenue from Beijing Urban Construction Group Co., Ltd. (“BUCG”) and its subsidiaries (together, the “BUCG Group”) contributed 15.2% (2024: 16.9%) of the Group’s revenue. Other than the BUCG Group, the Group’s customer base is diversified, no single customer contributed 10% or more of the Group’s revenue during the year ended 31 December 2025 (2024: one customer accounted for more than 10% of the Group’s revenue).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

5 OTHER EXPENSE

	2025 RMB'000	2024 RMB'000
Fair value losses of investment properties (Note 11)	(2,500)	(460)
Net gains on disposal of property, plant and equipment and right-of-use assets	2,840	3,219
Impairment losses on property, plant and equipment and right-of-use assets (Note 12)	(16,766)	(4,368)
Net foreign exchange gains/(losses)	28	(146)
Other (expense)/income	(3,625)	1,319
	<u>(20,023)</u>	<u>(436)</u>

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance income

	2025 RMB'000	2024 RMB'000
Interest income on bank deposits	<u>14,392</u>	<u>14,071</u>

(b) Finance costs

	2025 RMB'000	2024 RMB'000
Interest on defined benefit obligations (Note 23(b))	1,295	1,841
Interest on lease liabilities (Note 12)	<u>1,304</u>	<u>3,566</u>
	<u>2,599</u>	<u>5,407</u>

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

6 PROFIT BEFORE TAXATION (Continued)

(c) Staff costs

	Note	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits		322,058	322,385
Expenses recognised/(reversed of expenses recognised) in respect of defined benefit retirement plans (Note 23(b))		2,455	(1,261)
Cash-settled share-based payments (Note 24(a))		203	820
Contributions to defined contribution retirement plan	(i)	44,483	45,679
		369,199	367,623

Note:

- (i) Employees of the Group entities in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group entities in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

(d) Other items

	2025 RMB'000	2024 RMB'000
Amortisation cost of intangible assets (Note 13)	2,258	2,054
Depreciation charge (Note 12)		
– Property, plant and equipment	11,934	15,440
– Right-of-use assets	17,997	16,962
Bank charges	1,491	2,912
Cost of inventories (Note 17)	–	1,168
Expected credit loss on trade and other receivables		
– Trade receivables (Note 18(b))	56,277	58,755
– Other receivables	(21)	(1)
Auditors' remuneration		
– Audit services	3,385	3,385
– Other services	11	10
Rental income from investment properties less direct outgoings of RMB275,000 (2024: RMB254,000)	5,248	5,129

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 RMB'000	2024 RMB'000
Current tax – PRC Corporate Income Tax		
Provision for the year (Note 25(a))	36,105	44,023
Deferred tax		
Origination and reversal of temporary differences (Note 25(b)(i))	(17,797)	(18,001)
	<u>18,308</u>	<u>26,022</u>

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Notes	2025 RMB'000	2024 RMB'000
Profit before taxation		<u>69,904</u>	<u>110,651</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	(i)	17,476	27,663
Tax effect of PRC preferential tax rates	(ii)	(528)	(1,320)
Tax effect of non-deductible expenses		772	78
Tax effect on deferred tax balances at 1 January resulting from a change in tax rate		(455)	–
Others		<u>1,043</u>	<u>(399)</u>
Actual tax expense		<u>18,308</u>	<u>26,022</u>

Notes:

- (i) The provision for PRC Corporate Income Tax for the years ended 31 December 2025 and 2024 is calculated at 25% of the estimated assessable profits for the year.
- (ii) Certain subsidiaries of the Company satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises and are subject to a preferential income tax rate of 5% during the year ended 31 December 2025 (2024: 5%).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Year ended	Directors' fee	Salaries and other allowances	Discretionary bonus	Retirement scheme contributions	Cash-settled share-based payments	Total
31 December 2025	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chairman and Executive Director						
Zhang Weize	-	350	589	111	-	1,050
Executive Directors						
Yang Jun	-	350	589	111	12	1,062
Luo Zhou	-	324	456	111	10	901
Non-executive Directors						
Kong Weiping	120	-	-	-	-	120
Cheng Peng	120	-	-	-	-	120
Kong Chi Mo	120	-	-	-	-	120
Mao Lei (Note (i))	-	-	-	-	-	-
Jiang Xin (Note (i))	-	-	-	-	-	-
Li Zuoyang (Note (i))	-	-	-	-	-	-
Supervisors (Note (ii))						
Liu Yueming (Note (i)) (resigned on 22 May 2025)	-	-	-	-	-	-
Yang Jie (resigned on 22 May 2025)	-	95	-	31	-	126
Hu Ming kai (Note (i)) (resigned on 22 May 2025)	-	-	-	-	-	-
	360	1,119	1,634	364	22	3,499

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

Year ended	Directors' fee	Salaries and other allowances	Discretionary bonus	Retirement scheme contributions	Cash-settled share-based payments	Total
31 December 2024	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chairman and Executive Director						
Zhang Weize	–	349	893	108	–	1,350
Executive Directors						
Yang Jun	–	349	893	108	44	1,394
Yao Xin (resigned on 22 May 2024)	–	134	–	44	37	215
Luo Zhou	–	323	694	108	37	1,162
Non-executive Directors						
Kong Weiping	120	–	–	–	–	120
Cheng Peng	120	–	–	–	–	120
Kong Chi Mo	120	–	–	–	–	120
Mao Lei (Note (i))	–	–	–	–	–	–
Jiang Xin (Note (i))	–	–	–	–	–	–
Li Zuoyang (Note (i)) (appointed on 22 May 2024)	–	–	–	–	–	–
Supervisors						
Liu Fengyuan (Note (i)) (resigned on 22 May 2024)	–	–	–	–	–	–
Liu Fang (resigned on 22 May 2024)	–	114	108	44	–	266
Liu Yueming (Note (i)) (appointed on 22 May 2024)	–	–	–	–	–	–
Yang Jie (appointed on 22 May 2024)	–	151	155	44	–	350
Hu Ming kai (Note (i))	–	–	–	–	–	–
	<u>360</u>	<u>1,420</u>	<u>2,743</u>	<u>456</u>	<u>118</u>	<u>5,097</u>

Notes:

- (i) During the years ended 31 December 2025 and 2024, Mr. Mao Lei, Ms. Jiang Xin, Mr. Li Zuoyang, Ms. Liu Yueming, Mr. Hu Ming Kai and Mr. Liu Fengyuan were not paid directly by the Group but received remuneration from the Group's holding company, in respect of their services to the larger group which includes the Group. No apportionment has been made as the qualifying services provided by them to the Group are incidental to their responsibilities to the larger group.

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the director as an inducement to join or upon joining the Group or as compensation for loss of office. No director of the Company waived or agreed to waive any emoluments during the reporting period.

- (ii) The 2024 annual general meeting of the Company approved the abolition of the supervisory committee and the resignation of supervisors on 22 May 2025. There are no supervisors of the Company thereon.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2024: four) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other two (2024: one) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other allowances	647	323
Discretionary bonus	925	694
Retirement scheme contributions	222	108
Cash-settled share-based payments	20	37
	<u>1,814</u>	<u>1,162</u>

The emoluments of the above individuals with the highest emoluments are within the following band:

	2025	2024
Nil to Hong Kong Dollar ("HKD") 1,000,000	2	–
HKD1,000,001 – HKD1,500,000	<u>–</u>	<u>1</u>

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the above individuals with the highest emoluments as an inducement to join or upon joining the Group or as compensation for loss of office.

10 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB51,975,000 (2024: RMB79,671,000) and the weighted average of 146,667,200 ordinary shares (2024: 146,667,200 shares) in issue during the year.

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

11 INVESTMENT PROPERTIES

	Note	2025 RMB'000	2024 RMB'000
Fair value			
At 1 January		107,500	107,960
Change in fair value	5	(2,500)	(460)
At 31 December		105,000	107,500

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	2025 RMB'000	2024 RMB'000
Investment properties located in Beijing, the PRC:		
– Residential – Level 3	2,970	3,180
– Commercial – Level 3	102,030	104,320
	105,000	107,500

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

11 INVESTMENT PROPERTIES (Continued)

During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31 December 2025 and 2024. The valuations were carried out by an independent firm of surveyors, Cushman & Wakefield, with recent experience in the location and category of properties being valued. The Group's management have had discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

Investment properties held by the Group in the consolidated statements of financial position	Valuation techniques and significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Residential	Market approach The key input is: – Market price	Market price per sq.m: RMB44,700 (2024: RMB47,900)	The higher the market price, the higher the fair value
Commercial	Income approach The key inputs are: – Capitalisation rate – Unit rent of individual property	Capitalisation rate: 5.5% – 6.0% (2024: 5.5% – 6.0%) Unit rent of individual property per sq.m. per month: RMB123 – RMB178 (2024: RMB112 – RMB187)	The higher the capitalisation rate, the lower the fair value The higher the unit rent, the higher the fair value

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

11 INVESTMENT PROPERTIES (Continued)

The fair value of investment properties is determined based on income approach or market approach. Under the income approach, the fair value of investment properties is estimated based on capitalisation rate and unit rent. The unit rent is mainly made reference to the rents in existing lease. Under the market approach, the fair value is estimated based on comparable transactions for properties in similar location, accessibility, age, quality, size and other factors.

The Group leases out investment properties under operating lease. The leases typically run for an initial period of 1 to 4 years, with an option to renew the leases after that date at which time all terms are renegotiated.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025	2024
	RMB'000	RMB'000
Within 1 year	5,425	4,568
After 1 years but within 2 years	1,334	2,785
After 2 years but within 3 years	687	1,334
Over 3 years	-	687
	7,446	9,374

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Buildings RMB'000	Vehicles RMB'000	Office and other equipment RMB'000	Sub-total RMB'000	Other properties leased or acquired as right-of-use assets RMB'000	Total RMB'000
Cost:						
At 1 January 2024	21,479	3,433	88,711	113,623	154,702	268,325
Additions	110	50	1,159	1,319	29,641	30,960
Disposals	–	(88)	(2,621)	(2,709)	(3,320)	(6,029)
At 31 December 2024 and 1 January 2025	21,589	3,395	87,249	112,233	181,023	293,256
Additions	1,476	–	1,098	2,574	15,499	18,073
Disposals	–	(5)	(1,156)	(1,161)	(8,259)	(9,420)
At 31 December 2025	23,065	3,390	87,191	113,646	188,263	301,909
Accumulated depreciation:						
At 1 January 2024	(12,194)	(2,541)	(37,434)	(52,169)	(7,300)	(59,469)
Charge for the year	(1,932)	(206)	(13,302)	(15,440)	(16,962)	(32,402)
Impairment loss	–	–	(3,475)	(3,475)	(893)	(4,368)
Written back on disposals	–	65	2,130	2,195	615	2,810
At 31 December 2024 and 1 January 2025	(14,126)	(2,682)	(52,081)	(68,889)	(24,540)	(93,429)
Charge for the year	(1,871)	(137)	(9,926)	(11,934)	(17,997)	(29,931)
Impairment loss	–	–	(16,766)	(16,766)	–	(16,766)
Written back on disposals	–	4	1,072	1,076	2,742	3,818
At 31 December 2025	(15,997)	(2,815)	(77,701)	(96,513)	(39,795)	(136,308)
Carrying amount:						
At 31 December 2025	7,068	575	9,490	17,133	148,468	165,601
At 31 December 2024	7,463	713	35,168	43,344	156,483	199,827

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(a) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Notes	2025 RMB'000	2024 RMB'000
Acquired right-of-use parking lots assets, carried at depreciated cost	(i)	108,922	102,638
Other properties leased, carried at depreciated cost	(ii)	39,546	53,845
		148,468	156,483

(i) Acquired right-of-use parking lots assets

For the year ended 31 December 2025, the Group and a subsidiary of the BUCG Group (the "Seller") entered into a sales and purchase agreement, pursuant to which the Seller transferred the right-of-use of the carpark spaces to the Group at a consideration of RMB11,857,000 (2024: RMB7,581,000). The Group settled the transaction by offsetting part of its trade receivables due from the Seller at the amount of RMB10,255,000 (2024: RMB7,581,000), with the rest paid by cash.

(ii) Other properties leased

The Group leases offices, commercial properties and parking lots under leases expiring in 1 – 20 years. None of the leases includes variable lease payments.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
– Acquired right-of-use parking lots assets	4,171	3,455
– Other properties leased	13,826	13,507
	17,997	16,962
Interest on lease liabilities	1,304	3,566
Expense relating to short-term leases	5,303	10,637

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(a) Right-of-use assets (Continued)

(ii) Other properties leased (Continued)

During the year ended 31 December 2025, additions to right-of-use assets included the purchase of right-of-use parking lots assets of RMB11,857,000 (2024: RMB7,581,000), and the remainder was primarily related to lease prepayments and capitalised lease payments payable under new tenancy agreements of RMB3,642,000 (2024: RMB22,460,000).

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 19(d) and 27(b), respectively.

(b) Leases as a lessor

The Group leases out a number of equipment and parking lots under operating leases. The leases typically run for an initial period of 6 to 36 months, with an option to renew the lease after that date at which time all terms are renegotiated. None of the lease includes variable lease payments. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	6,062	6,616
1 to 2 years	40	52
Over 2 years	672	712
	<u>6,774</u>	<u>7,380</u>

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(Expressed in RMB unless otherwise indicated)

13 INTANGIBLE ASSETS

	Software RMB'000	Customer relationship RMB'000	Total RMB'000
Cost:			
At 1 January 2024, 31 December 2024 and 1 January 2025	13,041	5,884	18,925
Additions	<u>3,597</u>	<u>–</u>	<u>3,597</u>
At 31 December 2025	<u>16,638</u>	<u>5,884</u>	<u>22,522</u>
Accumulated amortisation:			
At 1 January 2024	(3,149)	(2,033)	(5,182)
Charge for the year	<u>(770)</u>	<u>(1,284)</u>	<u>(2,054)</u>
At 31 December 2024 and 1 January 2025	(3,919)	(3,317)	(7,236)
Charge for the year	<u>(974)</u>	<u>(1,284)</u>	<u>(2,258)</u>
At 31 December 2025	<u>(4,893)</u>	<u>(4,601)</u>	<u>(9,494)</u>
Net book value:			
At 31 December 2025	<u>11,745</u>	<u>1,283</u>	<u>13,028</u>
At 31 December 2024	<u>9,122</u>	<u>2,567</u>	<u>11,689</u>

The amortisation charge for the year is included in “cost of sales” and “administrative expenses” in the consolidated statement of profit or loss and other comprehensive income.

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14 INVESTMENT IN SUBSIDIARIES

The following list contains only the particulars of principal subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	Place of establishment and operation	Particulars of registered/paid-in capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Beijing Urban Construction Group Properties Co., Ltd. 北京城建置業有限公司(Notes (i) and (ii))	The PRC	RMB100,000,000/ RMB50,000,000	100%	100%	–	Property management
Beijing Uni.-Construction Beiyu Property Service Co., Ltd. ("Beiyu Property") 北京住總北宇物業服務有限責任公司(Notes (i) and (ii))	The PRC	RMB50,000,000/ RMB30,300,000	100%	100%	–	Property management
Beijing Chengcheng Property Management Co., Ltd. 北京城承物業管理有限責任公司(Notes (i) and (ii))	The PRC	RMB50,000,000/ RMB15,000,000	100%	100%	–	Property management
Chongqing Property 北京城建重慶物業管理有限公司(Notes (i) and (ii))	The PRC	RMB15,000,000/ RMB3,000,000	100%	100%	–	Property management
Beijing Zhuolian Property Management Co., Ltd. 北京卓聯物業經營管理有限公司(Notes (i) and (ii))	The PRC	RMB5,000,000/ RMB5,000,000	60%	60%	–	Property management
Beijing Beiyu Catering Service Co., Ltd. 北京北宇餐飲服務有限責任公司(Notes (i) and (ii))	The PRC	RMB12,000,000/ RMB12,000,000	100%	–	100%	Catering services
Beijing North Changyu Heating Service Co., Ltd. 北京北方昌宇供熱服務有限公司(Notes (i) and (ii))	The PRC	RMB2,000,000/ RMB2,000,000	100%	–	100%	Heating services
Beijing Tiannuo Property Management Co., Ltd. ("Tiannuo Property") 北京天諾物業管理有限責任公司(Notes (i), (ii) and (iii))	The PRC	RMB10,600,000/ RMB10,600,000	50%	–	50%	Property management

Notes:

- (i) These entities were registered as domestic limited liability companies under the laws and regulations in the PRC.
- (ii) The English translation of the names are for identification only. The official names of these entities are in Chinese.
- (iii) Pursuant to agreement with the other shareholder who holds 50% equity interest in Tiannuo Property, the shareholder would act in concert with the Beiyu Property in exercise of his voting power at the general meetings and the director nominated by that shareholder would act in concert with the directors nominated by Beiyu Property in exercise of his voting power at the board meetings. Beiyu Property has rights to variable returns from its involvement with Tiannuo Property and has the ability to affect those returns through its power over Tiannuo Property. Accordingly, Tiannuo Property is consolidated in the Group's consolidated financial statements as a subsidiary.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

15 OTHER FINANCIAL ASSETS

	Note	2025 RMB'000	2024 RMB'000
Equity investments designated at FVOCI			
– Unlisted equity investments	27(d)	<u>27,522</u>	<u>45,714</u>

The unlisted equity investments mainly represent equity interests in Beijing Jindi Real Estate Development Co., Ltd. (北京金第房地產開發有限責任公司, “Jindi Real Estate”). The Group holds 9.09% equity interests in Jindi Real Estate. The Group designated its equity investments at FVOCI, as the investments are held for strategic purpose.

16 INTERESTS IN AN ASSOCIATE

Details of the Group’s interest in the associate, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Company name	Form of business structure	Place of establishment and operation	Particulars of registered/paid-in capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Beijing Huairou Science City Property Service Co., Ltd 北京懷柔科學城物業服務有限公司	Incorporated	The PRC	RMB30,000,000/ RMB9,000,000	40%	40%	–	Property management

Beijing Huairou Science City Property Service Co., Ltd was established on 6 January 2023 by the Company and a third-party property developer. It is mainly engaged in the property management services.

The associate is not material to the consolidated financial statements and is an unlisted corporate entity.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

17 INVENTORIES

	2025	2024
	RMB'000	RMB'000
Raw materials	757	612
Low-value consumables	49	49
	806	661

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025	2024
	RMB'000	RMB'000
Carrying amount of inventories sold	-	1,168

All of the inventories are expected to be recovered within one year.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

18 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	2025 RMB'000	2024 RMB'000
Trade receivables		
– related parties (Note 29(c))	281,316	305,658
– third parties	670,534	589,358
	951,850	895,016
Less: allowance for trade receivables (Note 27(a))	(241,985)	(195,408)
	709,865	699,608
Other receivables due from related parties (Note 29(c))	14,881	16,018
Interest receivable	5,866	2,400
Deposits	24,110	18,865
Other receivables	17,452	9,357
Less: allowance for other receivables	(1,008)	(1,029)
	61,301	45,611
Financial assets measured at amortised cost	771,166	745,219
Prepayments		
– third parties	25,803	38,175
Input VAT to be deducted	13,663	14,166
	810,632	797,560

Trade receivables are primarily related to revenue generated from property management and related services provided to property owners and property developers.

As at 31 December 2025 and 2024, other receivables due from related parties are unsecured and interest-free. Details of the amounts due from related parties are set out in Note 29(c).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

18 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS (Continued)

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the date of revenue recognition which is the same as the due date and net of allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	449,696	375,094
1 to 2 years	114,690	176,178
2 to 3 years	75,264	85,349
3 to 4 years	48,317	50,663
4 to 5 years	18,719	7,699
Over 5 years	3,179	4,625
	<u>709,865</u>	<u>699,608</u>

Trade receivables are due when the receivables are recognised. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 27(a).

(b) Expected credit loss on trade receivables

The movements in the loss allowance in respect of trade receivables during the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	195,408	136,653
Expected credit loss recognised	56,277	58,755
Written-off	(9,700)	-
At 31 December	<u>241,985</u>	<u>195,408</u>

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	2025	2024
	RMB'000	RMB'000
Cash on hand	7	11
Cash at bank (Note (i))	1,332,895	1,291,264
Less:		
– Restricted cash (Note (ii))	12,679	8,263
– Time deposits with original maturity over three months (Note (iii))	500,000	400,000
– Time deposits with original maturity over one year (Note (iv))	100,000	–
	<u>720,223</u>	<u>883,012</u>

The Company

	2025	2024
	RMB'000	RMB'000
Cash at bank	1,269,218	1,215,000
Less:		
– Time deposits with original maturity over three months (Note (iii))	500,000	400,000
– Time deposits with original maturity over one year (Note (iv))	100,000	–
	<u>669,218</u>	<u>815,000</u>

Notes:

- (i) As at 31 December 2025, cash at bank includes housing maintenance funds of RMB26,490,000 (2024: RMB28,153,000) which were owned by the property owners but were deposited in the bank accounts in the name of the Group. Such deposits can be used by the Group for the purpose of public maintenance expenditures upon the approval from the relevant government authorities.
- (ii) As at 31 December 2025 and 2024, restricted cash mainly represents cash deposited in banks as joint accounts with property owners, mainly including the property management fees the Group collected from the projects under commission basis.
- (iii) At 31 December 2025, bank deposits of the Group represented fixed-term deposits maturing in 6-12 months at an annual interests between 1.5% and 1.8%, at 31 December 2024, bank deposits of the Group represented fixed-term deposits maturing in 6 months at an annual interest of 1.8%.
- (iv) At 31 December 2025, bank deposits of the Group represented fixed-term deposits due in three years at an annual interest rate of 1.75%.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 RMB'000	2024 RMB'000
Profit before taxation		69,904	110,651
Adjustments for:			
Finance costs	6(b)	2,599	5,407
Depreciation of property, plant and equipment and right-of-use assets	12	29,931	32,402
Amortisation of intangible assets	13	2,258	2,054
Changes in fair value of investment properties	11	2,500	460
Share of profit of an associate		(1,023)	(644)
Expected credit loss on trade and other receivables	6(d)	56,256	58,754
Net gains on disposal of property, plant and equipment and right-of-use assets	5	(2,840)	(3,219)
Foreign exchange (gains)/losses	5	(28)	146
Impairment losses on property, plant and equipment and right-of-use assets	5	16,766	4,368
Changes in working capital:			
Increase in inventories		(145)	(43)
Increase in trade and other receivables, and prepayments		(85,471)	(67,809)
(Increase)/decrease in restricted cash		(4,416)	3,612
Increase in trade and other payables		33,237	92,885
Increase in contract liabilities		3,208	38,910
Increase/(decrease) in defined benefit obligations		540	(3,372)
Cash generated from operations		123,276	274,562

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

Lease liabilities	2025	2024
	RMB'000	RMB'000
At 1 January	<u>133,800</u>	115,504
Changes from financing cash flows:		
Capital element of lease rentals paid	(10,942)	(3,150)
Interest element of lease rentals paid	(865)	(455)
Total changes from financing cash flows	<u>(11,807)</u>	(3,605)
Other changes:		
Increase in lease liabilities	134	18,335
Finance costs (Note 6(b))	1,304	3,566
Total other changes	<u>1,438</u>	21,901
At 31 December	<u>123,431</u>	133,800

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025	2024
	RMB'000	RMB'000
Within operating cash flows (Note 12(a))	(5,303)	(10,637)
Within financing cash flows	(11,807)	(3,605)
	<u>(17,110)</u>	(14,242)

These amounts relate to the following:

	2025	2024
	RMB'000	RMB'000
Lease rentals paid	<u>(17,110)</u>	(14,242)

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

20 TRADE AND OTHER PAYABLES

The Group

	2025 RMB'000	2024 RMB'000
Trade payables		
– related parties (Note 29(c))	49,692	39,309
– third parties	609,297	561,654
	<u>658,989</u>	<u>600,963</u>
Amounts due to related parties	9,832	8,064
Accrued payroll and other benefits	17,833	20,071
Other taxes and charges payable	45,507	52,393
Dividends payables	1,227	–
Deposits (Note (i))	53,734	62,875
Temporary receipt on behalf (Note (ii))	105,115	80,017
Housing maintenance funds payable (Note (iii))	126,616	156,376
Other payables and accruals	59,592	67,067
	<u>419,456</u>	<u>446,863</u>
	<u>1,078,445</u>	<u>1,047,826</u>

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)



20 TRADE AND OTHER PAYABLES (Continued)

The Company

	2025 RMB'000	2024 RMB'000
Trade payables		
– related parties	2,226	1,378
– third parties	18,920	15,066
	<u>21,146</u>	<u>16,444</u>
Amounts due to subsidiaries	1,107,946	1,047,008
Accrued payroll and other benefits	980	1,250
Other taxes and charges payable	403	3,151
Other payables and accruals	2,013	6,985
	<u>1,111,342</u>	<u>1,058,394</u>
	<u>1,132,488</u>	<u>1,074,838</u>

Notes:

- (i) Deposits mainly represent the deposits paid by the property owners and tenants for property management and refurbishment.
- (ii) Temporary receipt on behalf mainly represent utility charges received from residents on behalf of utility companies and operation income on public facilities received on behalf of property owners.
- (iii) Housing maintenance funds payable mainly represents the housing maintenance funds Beiyu Property received from Beijing Uni.-Construction Group Co., Ltd. ("BUCC"). Pursuant to related regulations and instructions from BUCC, Beiyu Property received the housing maintenance funds from BUCC in connection with the transfer of property management service on certain residential properties, which are properties built prior to the adoption of public housing maintenance fund policy issued by related government authorities in the 1990's. The funds are to be used along with the repair and overhaul of related properties in accordance with related regulations and instructions from BUCC.
- (iv) All the trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	527,151	505,356
1 to 2 years	84,639	87,556
2 to 3 years	44,279	6,987
Over 3 years	2,920	1,064
	<u>658,989</u>	<u>600,963</u>

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

21 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Billings in advance of performance		
– related parties (Note 29(c))	236	366
– third parties	<u>338,715</u>	<u>335,377</u>
	<u>338,951</u>	<u>335,743</u>

Movements in contract liabilities

	2025 RMB'000	2024 RMB'000
Balance at 1 January	335,743	296,833
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	<u>(333,728)</u>	<u>(293,564)</u>
Increase in contract liabilities as a result of receiving advance payments during the year	<u>336,936</u>	<u>332,474</u>
Balance at 31 December	<u>338,951</u>	<u>335,743</u>

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

The amounts of contract liabilities expected to be recognised as revenue after more than one year are RMB2,425,000 (2024: RMB2,015,000).

22 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	<u>106,728</u>	<u>108,767</u>
After 1 year but within 2 years	10,535	10,028
After 2 years but within 5 years	<u>6,168</u>	<u>15,005</u>
	<u>16,703</u>	<u>25,033</u>
	<u>123,431</u>	<u>133,800</u>

Notes to the Consolidated Financial Statements

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23 DEFINED BENEFIT RETIREMENT PLANS

The Group paid post-employment benefits to certain of its retirees, inactive employees and active employees after their normal retirement age in the PRC. In addition, the Group was committed to make termination benefits payment to certain inactive employees. These benefits were only applicable to the qualifying employees.

The actuarial valuations of the present value of the defined benefit obligations as at 31 December 2025 and 2024 were carried out by an independent firm of actuaries, Towers Watson, a member of China Association of Actuaries, using the Projected Unit Credit actuarial cost method.

The plans expose the Group to actuarial risks, such as interest rate risk and longevity risk. Information about the plans is disclosed below:

(a) The amounts recognised in the consolidated statement of financial position are as follows:

	2025 RMB'000	2024 RMB'000
Present value of the defined benefit obligations	<u>62,315</u>	<u>66,359</u>

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future payments will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Group expects to pay RMB2,470,000 to defined benefit retirement plans in 2026.

(b) Movements in the present value of the defined benefit obligations

	2025 RMB'000	2024 RMB'000
At 1 January	66,359	68,684
Remeasurements:		
– actuarial gains arising from changes in financial assumptions	(5,879)	(794)
Benefits paid by the Group	(1,915)	(2,111)
Current service cost	2,455	(1,261)
Interest cost	1,295	1,841
At 31 December	<u>62,315</u>	<u>66,359</u>

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

23 DEFINED BENEFIT RETIREMENT PLANS (Continued)

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

	2025 RMB'000	2024 RMB'000
Current service cost	2,455	(1,261)
Interest on defined benefit obligations	1,295	1,841
Total amounts recognised in profit or loss	3,750	580
Actuarial gains	(5,879)	(794)
Total amounts recognised in other comprehensive income	(5,879)	(794)
Total defined benefit costs	(2,129)	(214)

The current service cost and interest on defined benefit obligations are recognised in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2025 RMB'000	2024 RMB'000
Administrative expenses	2,455	(1,261)
Finance costs	1,295	1,841
	3,750	580

Notes to the Consolidated Financial Statements

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23 DEFINED BENEFIT RETIREMENT PLANS (Continued)

(d) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2025	2024
Discount rate – post-employment benefits	2.25%	2.00%
Annual withdrawal rate	3.00%	3.00%
Annual increase rate of medical benefits	6.00%	6.00%
Mortality rate	CL5/CL6 (2010-2013)	CL5/CL6 (2010-2013)

Notes:

- (i) CL5 and CL6 refer to the Pension Business Female Table and the Pension Business Combined Table (Male & Female) respectively, under the China Life Insurance Industry Experience Mortality Table. These are authoritative actuarial benchmarks adopted for estimate mortality rates and survival patterns in the calculation of pension and annuity obligation.
- (ii) During the reporting period, the weighted-average duration of post-employment benefits and termination benefits of the defined benefit obligations was 18.5 years and 2 years respectively.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other factors constant.

	Increase/(decrease) of defined benefit obligations	
	2025	2024
	RMB'000	RMB'000
Discount rate		
– increase by 0.25%	(2,620)	(2,842)
– decrease by 0.25%	2,813	3,053
Annual withdrawal rate		
– increase by 1%	(2,015)	(2,078)
– decrease by 1%	2,385	2,466
Annual increase rate of medical benefits		
– increase by 1%	7,964	8,631
– decrease by 1%	(5,965)	(6,454)



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24 CASH-SETTLED SHARE APPRECIATION RIGHTS

(a) Description of cash-settled share appreciation rights

The Group implemented a share appreciation rights scheme for members of its management to provide incentives to them. Under this plan, share appreciation rights (“SAR”) are granted in units with each unit representing one H share. No shares will be issued under the share appreciation rights scheme. Upon exercise of the SARs, a recipient will receive, subject to any applicable withholding tax, a cash payment in RMB, translated from the Hong Kong dollars amount equal to the product of the number of SARs exercised and the difference between the exercise price and market price of the Company’s H shares at the date of exercise based on the applicable exchange rate between RMB and Hong Kong dollars at the date of the exercise. The Company recognises compensation expense of the SARs over the applicable vesting period.

On 19 December 2023, the Company granted 3,420,000 SARs to employees that entitle them to a cash payment after two years of service. Subject to the satisfaction of the exercise conditions, the SARs shall take effect in three batches in proportion to 34%, 33%, and 33% by the end of the second anniversary, the third anniversary and the fourth anniversary from the grant date and expire at the end of the third anniversary, the fourth anniversary and the fifth anniversary after grant date, respectively. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

During the year ended 31 December 2025, pursuant to the terms of the SARs incentive scheme, the vesting conditions of the SARs were not met. Accordingly, the first and the second batches amounting to 2,291,400 SARs granted initially and 268,000 SARs granted under the reserve grant shall be cancelled. Following the cancellation, a total of 2,559,400 SARs has lapsed and become non-exercisable, and the related carrying amount of the liability for employee benefits is reversed and recognised in profit or loss for the year.

During the years ended 31 December 2025 and 2024, the amounts of expenses recognised in respect of the SARs were RMB203,000 and RMB820,000 respectively.

Details of the liabilities arising from the SARs were follows.

	2025	2024
	RMB’000	RMB’000
Total carrying amount of liabilities for SARs	387	851

Notes to the Consolidated Financial Statements

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24 CASH-SETTLED SHARE APPRECIATION RIGHTS (Continued)

(b) Measurement of fair value

The fair value of the SARs has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

None of the SARs have been vested as at 31 December 2025 and 2024. The options outstanding at 31 December 2025 had an exercise price of RMB3.36 (2024: RMB3.36) and a weighted-average remaining contractual life of 1.95 years (2024: 2.95 years).

25 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2025	2024
	RMB'000	RMB'000
PRC Corporate Income Tax		
At 1 January	24,830	25,316
Charged to profit or loss	36,105	44,023
Payments during the year	(51,975)	(44,509)
At 31 December	8,960	24,830

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25 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from:	Credit loss allowance and impairment on property, plant and equipment and right-of-use assets	Defined benefit obligations	Tax Loss	Accrued expenses	Right-of-use assets	Lease liabilities	Revaluation of investment properties	Revaluation of financial assets	Fair value adjustments on property, plant and equipment and intangible assets and related depreciation and amortisation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	33,817	17,170	2,578	347	(31,675)	31,848	(32,856)	8,087	(961)	28,355
Credited/(charged) to profit or loss	15,473	145	(187)	(214)	1,513	834	116	-	321	18,001
(Charged)/credited to other comprehensive income	-	(199)	-	-	-	-	-	3,420	-	3,221
At 31 December 2024 and 1 January 2025	49,290	17,116	2,391	133	(30,162)	32,682	(32,740)	11,507	(640)	49,577
Credited/(charged) to profit or loss	11,712	63	109	2	404	(2,178)	7,365	-	320	17,797
(Charged)/credited to other comprehensive income	-	(1,470)	-	-	-	-	-	4,549	-	3,079
At 31 December 2025	61,002	15,709	2,500	135	(29,758)	30,504	(25,375)	16,056	(320)	70,453

(ii) Reconciliation to the consolidated statement of financial position

	2025 RMB'000	2024 RMB'000
Net deferred tax asset recognised in the consolidated statements of financial position	96,148	82,957
Net deferred tax liability recognised in the consolidated statements of financial position	(25,695)	(33,380)
	70,453	49,577

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

26 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Defined benefit obligation remeasurement reserve RMB'000	(Accumulated losses)/retained profits RMB'000	Total RMB'000
Balance at 1 January 2024	146,667	942,782	5,670	(712)	(4,060)	1,090,347
Changes in equity for 2024:						
Profit for the year	-	-	-	-	39,442	39,442
Other comprehensive income	-	-	-	(682)	-	(682)
Total comprehensive income	-	-	-	(682)	39,442	38,760
Appropriation to statutory reserve	-	-	3,944	-	(3,944)	-
Dividends approved in respect of the previous years (Note 26(c))	-	-	-	-	(31,049)	(31,049)
Balance at 31 December 2024 and 1 January 2025	146,667	942,782	9,614	(1,394)	389	1,098,058
Changes in equity for 2025:						
Loss for the year	-	-	-	-	(8,143)	(8,143)
Other comprehensive income	-	-	-	415	-	415
Total comprehensive income	-	-	-	415	(8,143)	(7,728)
Dividends approved in respect of the previous years (Note 26(c))	-	-	-	-	(21,296)	(21,296)
Balance at 31 December 2025	146,667	942,782	9,614	(979)	(29,050)	1,069,034

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

26 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS (Continued)

(b) Share capital

	At 31 December 2025		At 31 December 2024	
	No. of shares	RMB'000	No. of shares	RMB'000
Ordinary shares, issued and fully paid	<u>146,667,200</u>	<u>146,667</u>	<u>146,667,200</u>	<u>146,667</u>

(c) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2025	2024
	RMB'000	RMB'000
Final dividend proposed after the end of the reporting period of RMB9.69 cents (2024: RMB14.52 cents) per ordinary share	<u>14,212</u>	<u>21,296</u>

The final dividend proposed for shareholders' approval after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2025	2024
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB14.52 cents per ordinary share (2024: RMB21.17 cents)	<u>21,296</u>	<u>31,049</u>



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

26 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS (Continued)

(d) Nature and purpose of reserves

(i) Capital reserve

Capital reserve balance mainly represents:

- the excess of net assets of certain subsidiaries and cash transferred to the Company by the previous owners upon the establishment of the Company less the nominal value of the ordinary shares issued to the previous owners;
- the difference between the consideration paid and net assets acquired by the Company for acquisition of non-controlling interests in subsidiaries; and
- the net proceeds in excess of the par value of issued ordinary shares upon initial public offerings.

(ii) Statutory surplus reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies which are incorporated in the PRC until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to equity holders.

For the entities concerned, this reserve can be utilised in setting off accumulated losses or increasing capital and is non-distributable other than in liquidation.

As at 31 December 2025, appropriation to surplus reserve made by the Company's subsidiaries amounting to RMB75,682,000 (2024: RMB71,037,000) was included in the consolidated retained profits attributable to equity shareholders of the Company.

(iii) Defined benefit obligation remeasurement reserve

Defined benefit obligation remeasurement reserve represents actuarial gains and losses after tax from experience adjustments and changes in actuarial assumptions for the defined benefit plan.

(iv) Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of equity investments designated at FVOCI.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

26 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS (Continued)

(e) Non-controlling interests (“NCI”)

The following table lists out the information relating to Tiannuo Property, the subsidiary of the Group which has a material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

	2025	2024
NCI percentage	50%	50%
Current assets	129,477	110,191
Non-current assets	12,345	12,509
Current liabilities	(98,729)	(80,072)
Non-current liabilities	(664)	(689)
Net assets	42,429	41,939
Carrying amount of NCI	21,215	20,970
Revenue	148,647	161,264
Profit for the year	696	655
Total comprehensive income	696	655
Profit allocated to NCI	348	328
Dividend paid to NCI	103	76

(f) Capital management

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group’s overall strategy remains unchanged throughout the reporting period.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash at bank and trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and time deposits are limited because the counterparties are banks and financial institutions with a high credit standing assigned by the management of the Group, to which the Group considers having low credit risk.

In respect of amounts due from related parties, deposits and prepayments, interest receivables, and amounts due from staff included in other receivables, the Group has assessed that the expected credit loss rate for these receivables is immaterial under 12 months expected losses method based on historical settlement records and looking-forward information. Except for a loss allowance of RMB1,008,000 (2024: RMB1,029,000), no other loss allowance provision for these receivables was recognised during the reporting period.

In respect of trade receivables, the Group measures loss allowances at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The Group has large number of customers and there was no concentration of credit risk. In addition, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Normally, the Group does not obtain collateral from customers.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024.

	2025			2024		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Related parties	2.48%	281,316	(6,967)	1.63%	305,658	(4,994)
Third parties						
Within 1 year	10.03%	323,484	(32,434)	10.20%	255,612	(26,069)
1 – 2 years	28.36%	113,527	(32,197)	28.42%	120,620	(34,280)
2 – 3 years	44.84%	67,879	(30,434)	40.45%	80,450	(32,540)
3 – 4 years	61.05%	51,155	(31,232)	57.13%	66,855	(38,195)
4 – 5 years	89.70%	56,004	(50,236)	82.18%	36,426	(29,935)
Over 5 years	100.00%	58,485	(58,485)	100.00%	29,395	(29,395)
		951,850	(241,985)		895,016	(195,408)

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current economic conditions and the Group's view of economic conditions over the expected lives of the receivables.

Trade receivables from third parties usually have higher expected loss rates. As at 31 December 2025, trade receivables from third parties accounted for 70.4% (2024: 65.8%) of the total trade receivables. Loss allowances are calculated based on the ECL rates and reflected the increase in trade receivables from third parties during the reporting period.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surplus and the raising of loans to cover expected cash demands, subject to approval by the board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

Contractual undiscounted cash outflow	2025					2024				
	Contractual undiscounted cash outflow					Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 December	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 December
Trade and other payables	1,078,445	-	-	1,078,445	1,078,445	1,047,826	-	-	1,047,826	1,047,826
Lease liabilities	109,364	10,960	6,301	126,625	123,431	109,626	10,976	15,515	136,117	133,800
	1,187,809	10,960	6,301	1,205,070	1,201,876	1,157,452	10,976	15,515	1,183,943	1,181,626

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk is not significant.



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

The Group's unlisted equity investments were revalued against carrying amounts of the respective investments during the reporting period. A valuation report is prepared by the external valuer at each interim and annual reporting date and is reviewed and approved by the chief accountant. Discussion of the valuation process and results with the chief accountant is held twice a year, to coincide with the reporting dates.

	Fair value hierarchy	Fair value at 31 December	
		2025 RMB'000	2024 RMB'000

Recurring fair value measurements

Other financial assets

– Equity investments designated at FVOCI	Level 3	<u>27,522</u>	<u>45,714</u>
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During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)



27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements

	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity investments, mainly representing equity interests in Jindi Real Estate, a property development company holding land and properties for development for sale or for rent. Major land and properties of Jindi Real Estate have been revalued at each reporting date.	Income approach and market approach	Capitalisation rate: 6.35% – 7.00% (2024: 6.47% – 7.10%)	The higher the capitalisation rate, the lower the fair value
	The key inputs are: <ul style="list-style-type: none"> – Capitalisation rate; – Unit rent of individual unit; – Market price 	Unit rent per sq.m. per month: RMB36 – RMB116 (2024: RMB36 – RMB116)	The higher the unit rent, the higher the fair value
		Market price per sq.m.: RMB12,690 – RMB66,528 (2024: RMB12,690 – RMB69,300)	The higher the market price, the higher the fair value

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2025 RMB'000	2024 RMB'000
Fair value		
At 1 January	45,714	59,396
Change in fair value	(18,192)	(13,682)
At 31 December	27,522	45,714

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of each reporting period, while holding all other factors constant.

	Increase/(decrease) of other financial assets – equity investments designated at FVOCI	
	2025 RMB'000	2024 RMB'000
Capitalisation rate		
– increase by 0.25%	(1,056)	(153)
– decrease by 0.25%	1,104	155
Unit rent per sq.m. per month		
– increase by 1%	258	33
– decrease by 1%	(258)	(33)
Market price per sq.m.		
– increase by 1%	976	1,318
– decrease by 1%	(976)	(1,317)

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2025 and 2024.

28 CONTINGENT ASSETS AND LIABILITIES

The Group did not have any material contingent assets or liabilities as at 31 December 2025 (2024: nil).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)



29 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	7,218	8,472
Post-employment benefits	989	930
Cash-settled share-based payments	68	276
	8,275	9,678

Total remuneration is included in "staff costs" (see Note 6(c)).

(b) Significant related party transactions

The principal transactions which were carried out in the ordinary course of business are as follows:

Nature of related party	2025 RMB'000	2024 RMB'000
Provision of services		
– The BUCG Group	343,347	320,292
– Associates of the BUCG Group	17,505	14,747
Receiving services		
– The BUCG Group	22,955	11,578
– Associates of the BUCG Group	838	230
Rental income		
– The BUCG Group	5,524	9,002
Rental expenses		
– The BUCG Group	17,398	23,344
Acquisition of right-of-use assets (Note 12(a)(i))		
– The BUCG Group	11,857	–
– Associates of the BUCG Group	–	7,581

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

29 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties:

	2025 RMB'000	2024 RMB'000
Trade nature		
Prepayments and trade receivables		
– The BUCG Group	269,964	299,897
– Associates of the BUCG Group	11,352	5,761
Trade payables		
– The BUCG Group	48,003	39,309
– Associates of the BUCG Group	1,689	–
Contract liabilities		
– The BUCG Group	192	366
– Associates of the BUCG Group	44	–
Lease liabilities		
– The BUCG Group	115,871	127,717
Non-trade nature		
Other receivables		
– The BUCG Group	14,881	16,018
Other payables		
– The BUCG Group	9,822	8,064
– An associate of the BUCG Group	10	–

As at 31 December 2025 and 2024, other receivables due from related parties are unsecured and interest-free.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

29 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) Name and relationship with the related parties

During the reporting period, transactions with the following parties are considered as material related party transactions:

Name of related party	Relationship with the Group
BUCG 北京城建集團有限責任公司	The controlling shareholder of the Company
BUCG 北京住總集團有限責任公司	Shareholder of the Company, which is controlled by BUCG
Beijing Urban Construction Investment & Development Co., Ltd.* 北京城建投資發展股份有限公司	Shareholder of the Company, which is controlled by BUCG
Beijing Urban Construction Xinghua Real Estate Co., Ltd.* 北京城建興華地產有限公司	Company controlled by BUCG
Beijing Uni.-Construction Real Estate Development Co., Ltd.* 北京住總房地產開發有限公司	Company controlled by BUCG
Tianjin Capital Investment & Development Co., Ltd.* 天津京城投資開發有限公司	Company controlled by BUCG
Beijing Zhuzong Commercial Asset Management Co., Ltd. 北京住總商業資產管理有限公司	Company controlled by BUCG
Beijing Urban Construction Xingrui Land Development Co., Ltd.* 北京城建興瑞置業開發有限公司	Company controlled by BUCG
Beijing Shijihongcheng Properties Limited 北京世紀鴻城置業有限公司	Company controlled by BUCG



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

29 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) Name and relationship with the related parties (Continued)

<u>Name of related party</u>	<u>Relationship with the Group</u>
Beijing Urban Construction Xingyun Real Estate Co., Ltd.* 北京城建興雲房地產有限公司	Company controlled by BUCG
Youxian Taoshui Townlong Springs Factory* 北京城建重慶地產有限公司	Company controlled by BUCG
Beijing Chengao Real Estate Co., Ltd.* 北京城奧置業有限公司	Company controlled by BUCG
Beijing Urban Construction Xinghe Real Estate Development Co., Ltd* 北京城建興合房地產開發有限公司	Company controlled by BUCG
Beijing Zhuzong Science and Technology Innovation Asset Management Co., Ltd.* 北京住總科創資產管理有限公司	Company controlled by BUCG
Beijing Donghu Real Estate Co., Ltd.* 北京市東湖房地產有限公司	Company controlled by BUCG

* The English names of the above companies which operate in the PRC are for identification only.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)



30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Non-current assets			
Investments in subsidiaries		850,820	850,820
Property, plant and equipment and right-of-use assets		25,104	56,462
Intangible assets		8,786	5,438
Investment in an associate		5,284	4,261
Time deposits with original maturity over one year	19(a)	100,000	–
Deferred tax assets		4,033	3,898
		994,027	920,879
Current assets			
Inventories		120	121
Trade and other receivables, and prepayments		61,984	66,683
Time deposits with original maturity over three months	19(a)	500,000	400,000
Cash and cash equivalents	19(a)	669,218	815,000
		1,231,322	1,281,804
Current liabilities			
Trade and other payables	20	1,132,488	1,074,838
Contract liabilities		834	826
Lease liabilities		7,080	7,812
		1,140,402	1,083,476
Net current assets			
		90,920	198,328
Total assets less current liabilities			
		1,084,947	1,119,207
Non-current liabilities			
Lease liabilities		11,350	16,949
Defined benefit obligations		4,563	4,200
		15,913	21,149
NET ASSETS			
		1,069,034	1,098,058
CAPITAL AND RESERVES			
	26		
Share capital		146,667	146,667
Reserves		922,367	951,391
TOTAL EQUITY			
		1,069,034	1,098,058

Approved and authorised for issue by the board of directors on 27 March 2026.

Name: Zhang Weize
Position: Chairman of the Board

Name: Yang Jun
Position: Director



Notes to the Consolidated Financial Statements

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31 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 27 March 2026, the directors of the Company proposed a final dividend. Further details are disclosed in Note 26(c).

32 IMMEDIATE AND ULTIMATE HOLDING COMPANY

As at 31 December 2025, the directors of the Company consider the immediate parent and ultimate controlling company of the Group to be BUCG, which is a state-owned enterprise established in the PRC. BUCG does not produce financial statements available for public use.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IFRS 10, <i>Consolidated financial statements</i> and IAS 28, <i>Investments in associates and joint ventures, Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined



Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

