



越秀服務集團有限公司 YUEXIU SERVICES GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code : 6626



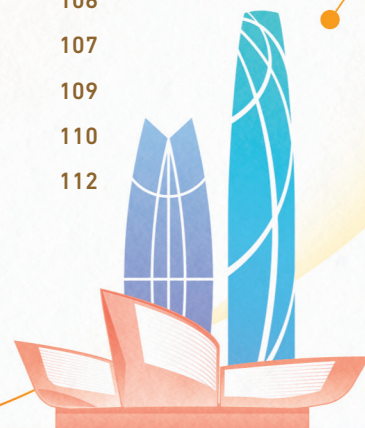
WHERE GOOD
SERVICE
STARTS

ANNUAL REPORT 2025



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CORPORATE INFORMATION

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

Mr. Jiang Guoxiong (*Chairman*)
Mr. Yang Zhaoxuan

EXECUTIVE DIRECTORS

Mr. Wang Jianhui
Mr. Zhang Chenghao
Mr. Zhang Jin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hung Shing Ming
Ms. Hui Lai Kwan
Mr. Leung Yiu Man

BOARD COMMITTEES

AUDIT COMMITTEE

Ms. Hui Lai Kwan (*Chairlady*)
Mr. Hung Shing Ming
Mr. Leung Yiu Man

REMUNERATION COMMITTEE

Mr. Hung Shing Ming (*Chairman*)
Mr. Jiang Guoxiong
Ms. Hui Lai Kwan
Mr. Leung Yiu Man

NOMINATION COMMITTEE

Mr. Jiang Guoxiong (*Chairman*)
Mr. Wang Jianhui
Mr. Hung Shing Ming
Ms. Hui Lai Kwan
Mr. Leung Yiu Man

INVESTMENT COMMITTEE

Mr. Jiang Guoxiong (*Chairman*)
Mr. Wang Jianhui
Mr. Zhang Chenghao
Mr. Zhang Jin
Mr. Yang Zhaoxuan
Mr. Hung Shing Ming

SUSTAINABILITY COMMITTEE

Mr. Jiang Guoxiong (*Chairman*)
Mr. Wang Jianhui
Mr. Hung Shing Ming
Ms. Hui Lai Kwan
Mr. Leung Yiu Man

COMPANY SECRETARY

Mr. Yu Tat Fung

AUDITOR

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

PRINCIPAL BANKERS

China Construction Bank Corporation
Bank of Guangzhou Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
Chong Hing Bank Limited
China Resources Bank of Zhuhai Co., Ltd
Industrial Bank Co., Ltd.
Ping An Bank Co., Ltd.
Agricultural Bank of China Limited

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

26/F, Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

SHARE REGISTRAR

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

INVESTOR RELATIONS

For further information of Yuexiu Services Group Limited,
please email: ir@yuexiuproperty.com

STOCK CODE

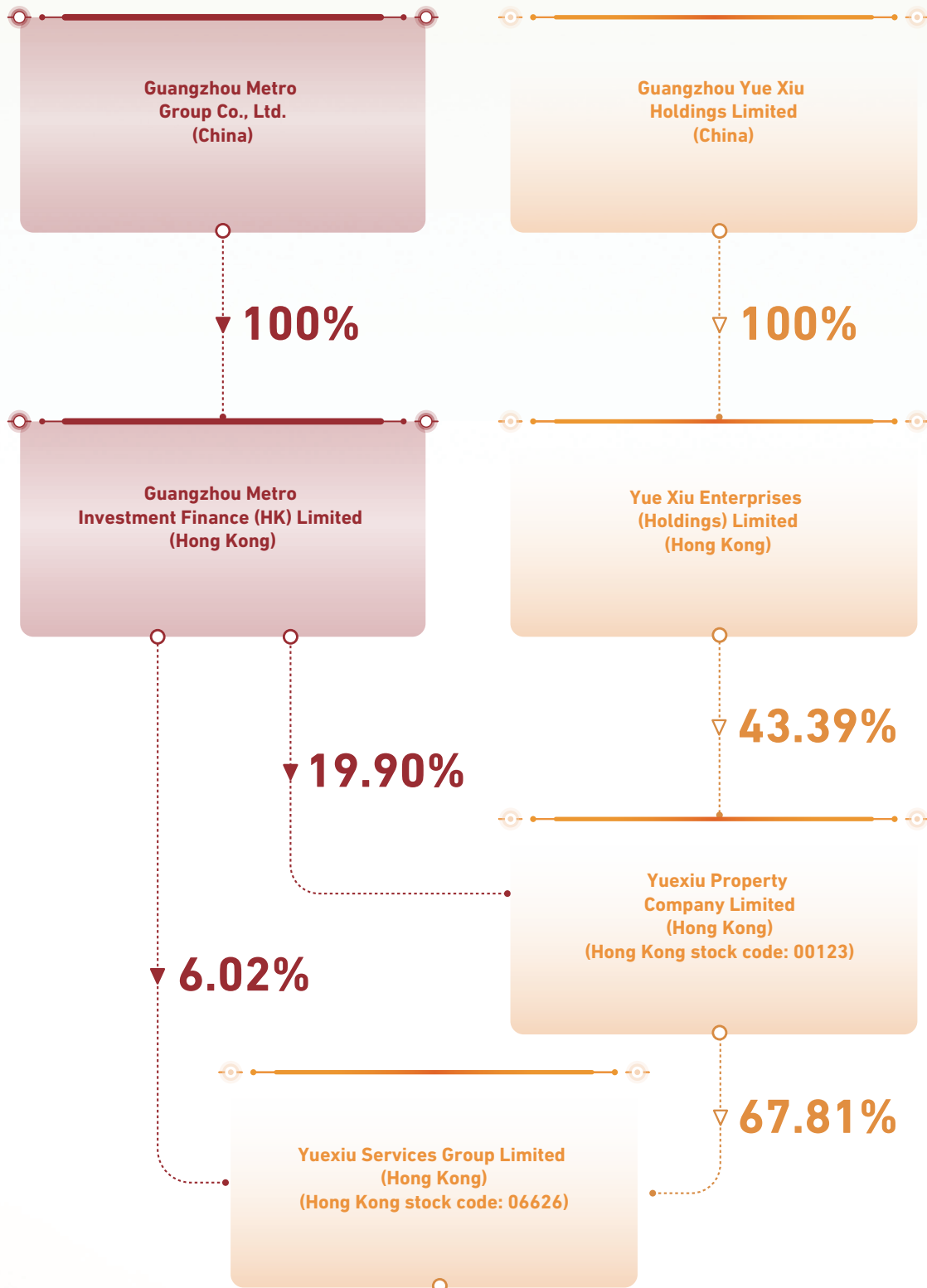
6626

WEBSITES TO ACCESS COMPANY INFORMATION

www.yuexiuserVICES.com
www.irasia.com/listco/hk/yuexiuserVICES/
www.hkexnews.hk

CORPORATE STRUCTURE

(As of 31 December 2025)



FINANCIAL SUMMARY

	For the year ended 31 December				
	2025	2024	2023	2022	2021
Total Revenue (RMB million)	3,902	3,868	3,224	2,486	1,918
Gross profit (RMB million)	577	902	857	679	671
Gross profit margin (%)	14.8%	23.3%	26.6%	27.3%	35.0%
Net profit* (RMB million)	274	353	487	416	360
Net profit margin* (%)	7.0%	9.1%	15.1%	16.7%	18.7%
Earnings per share (RMB)	0.18	0.23	0.32	0.27	0.27
Dividend per share (RMB)	0.110	0.169	0.160	0.096	0.083

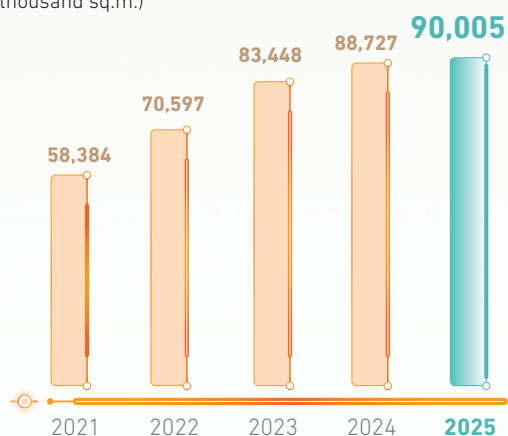
* Net profit = profit attributable to owners of the Company; net profit margin = profit attributable to owners of the Company/total revenue *100%

(RMB million)	As at 31 December				
	2025	2024	2023	2022	2021
Assets					
Non-current assets	1,757	2,618	533	530	490
Current assets	5,146	3,998	5,874	5,418	4,641
Total assets	6,903	6,616	6,407	5,948	5,131
Equity					
Equity attributable to owners of the Company	3,516	3,503	3,444	3,223	2,932
Non-controlling interests	65	85	176	168	158
Total equity	3,581	3,588	3,620	3,391	3,090
Liabilities					
Non-current liabilities	138	147	122	536	498
Current liabilities	3,184	2,881	2,665	2,021	1,543
Total liabilities	3,322	3,028	2,787	2,557	2,041
Total equity and liabilities	6,903	6,616	6,407	5,948	5,131

RESULTS HIGHLIGHTS

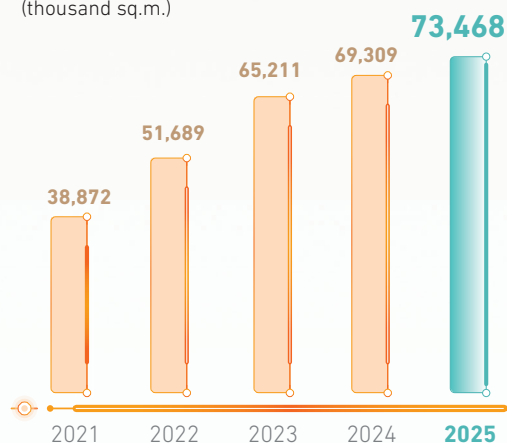
CONTRACTED GFA

(thousand sq.m.)



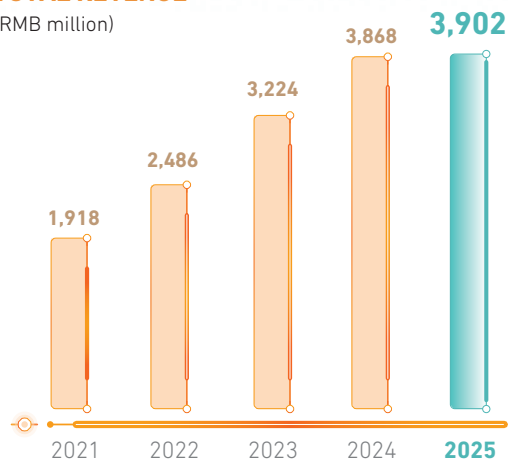
GFA UNDER MANAGEMENT

(thousand sq.m.)



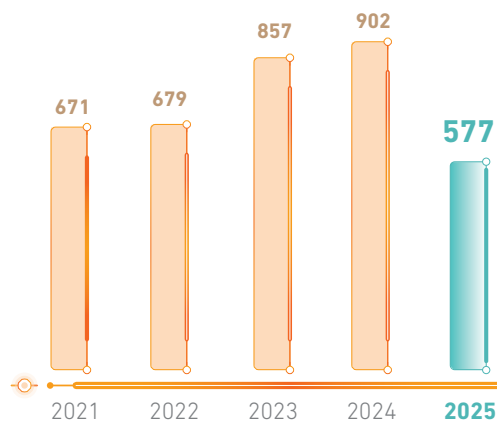
TOTAL REVENUE

(RMB million)



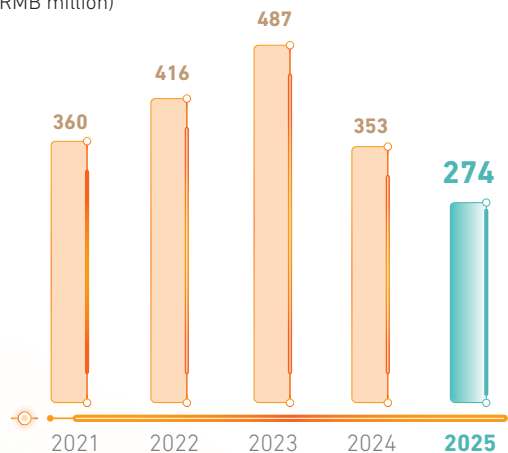
GROSS PROFIT

(RMB million)



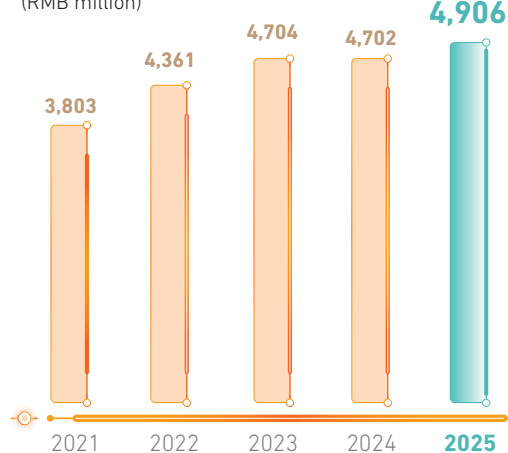
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

(RMB million)



CASH AND BANK BALANCES AND TIME DEPOSITS

(RMB million)



BUSINESS SCOPE

Yuexiu Services Group Limited (the “Company”, together with its subsidiaries, the “Group”) is one of the leading property management companies in the Greater Bay Area. The Group is committed to providing diversified and integrated services across a wide range of properties.

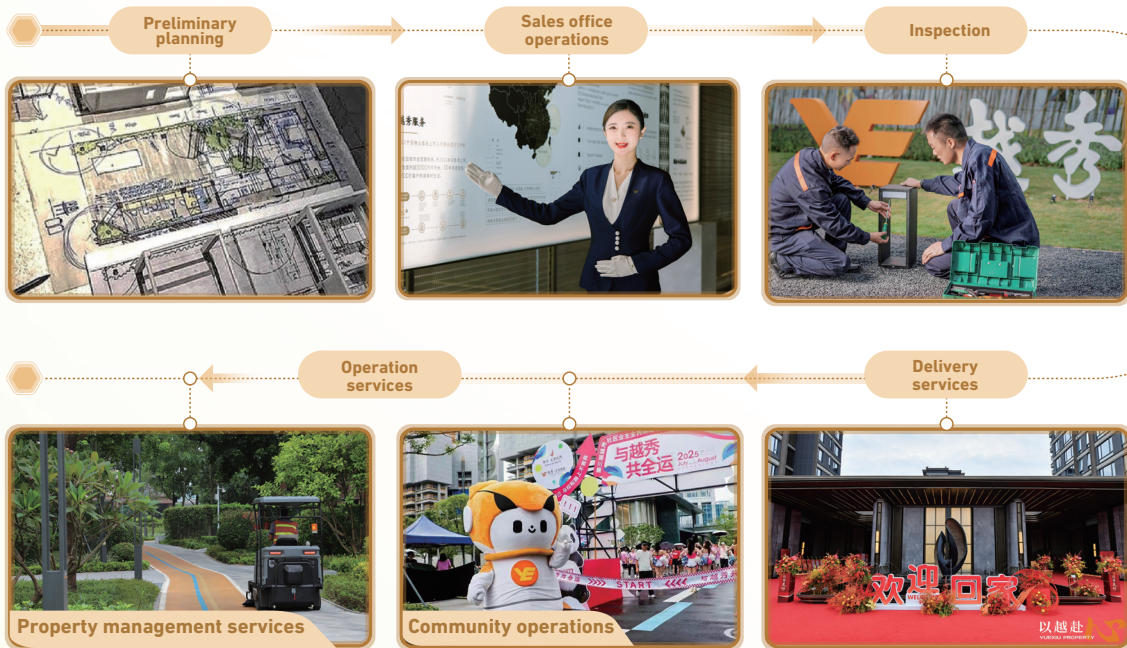
PROPERTY MANAGEMENT SERVICES

RESIDENTIAL PROPERTIES

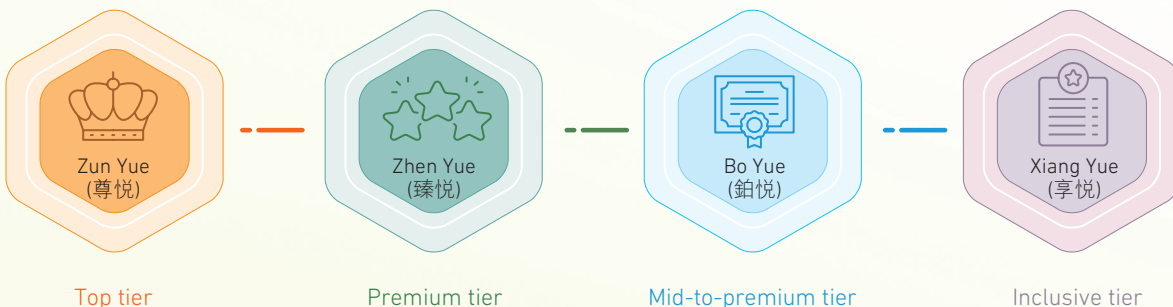
By focusing on customer needs and leveraging its professional property management experience, the Group embeds its services into every touchpoint across the entire real estate development and operation value chain, providing customers with full-cycle services from house selection, purchasing, waiting, delivery, to move-in, while creating a harmonious community.

Through a menu-based service framework combining “essential + flexible + specialised” functions, the Group creates service levels tailored to product positioning and customer profiles, adding value to property owners in property management functions, property asset preservation and enhancement.

FULL-CHAIN SERVICE PROCESS



FOUR-TIERED SERVICE SYSTEM



BUSINESS SCOPE

As of 31 December 2025, the GFA of residential properties under management was 46.20 million sq.m., serving more than 330,000 property owners.

REPRESENTATIVE PROJECTS



Guangzhou Starry Garden



Panyu Grand Mansion
in Guangzhou



Guangzhou Pazhou
South TOD



Wuhan International
Financial City

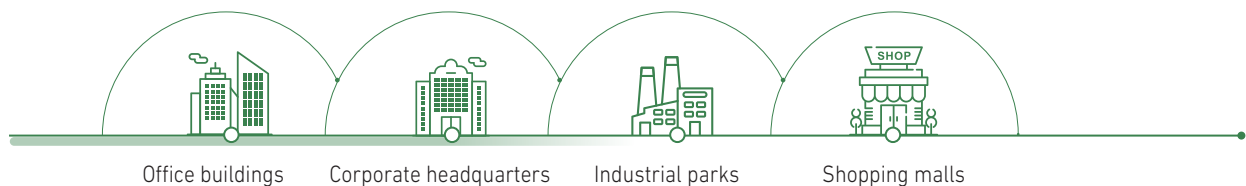
NON-RESIDENTIAL PROPERTIES

By combining standardized services with customized solutions, the Group delivers comprehensive, integrated property services that covers the entire project life cycle to its customers.

COMMERCIAL BUILDINGS AND INDUSTRIAL PARKS

One-stop integrated facility management (ifm) service to provide customised asset management and integrated logistical support solutions

SECTOR COVERAGE

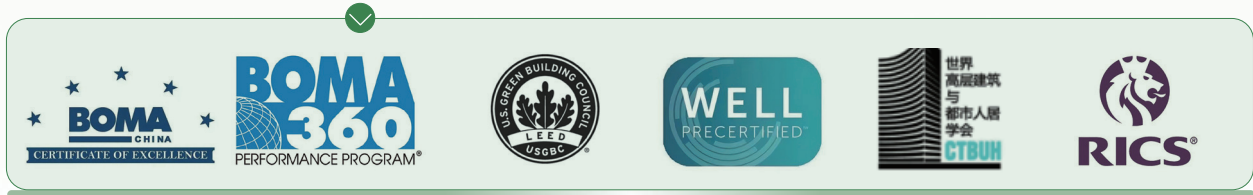


As one of the leading experts in commercial property operations and management and a pioneer in skyscraper property management in China, the Group brings extensive experience in IFM, property management and asset management, along with an international perspective. It provides full-lifecycle asset management and integrated logistical support solutions across all stages, including planning and design, construction, pre-sale and pre-leasing, delivery and sale, and handover and operations. This approach enhances the integration of various business sectors through coordinated allocation of resources, thereby contributing to the preservation and enhancement of asset value.

The Group provides property asset management services for multiple urban landmarks and high-end commercial projects. The landmark project Guangzhou International Finance Centre is the only commercial project in China to achieve three internationally recognised certifications, namely LEED, BOMA and RICS.

BUSINESS SCOPE

INTERNATIONAL BUSINESS MANAGEMENT STANDARDS



* The commercial projects manager by the Group have obtained above verification.

SERVICE OFFERINGS



The Group also adheres to the service concept of “professionalism, standardisation, intelligence, and environment protection” to provide integrated logistical support services for industrial parks, creating a low-carbon and sustainable park environment while ensuring the safety and continuity of enterprise production. It also focuses on the entire life cycle operation of industries, helping optimise the investment environment of industrial parks.

As of 31 December 2025, the GFA of commercial buildings and industrial parks under management of the Group was 12.16 million sq.m..

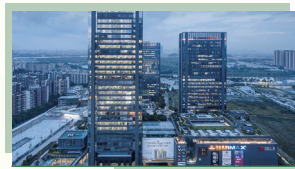
REPRESENTATIVE PROJECTS



Guangzhou International Finance Centre



Wuxi Jingyang Lake Science and Innovation Park



Wansheng Plaza



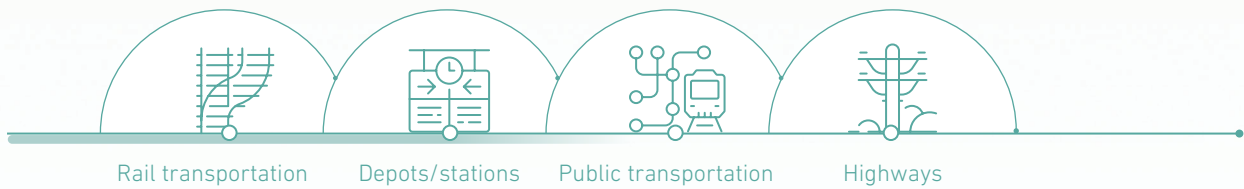
Yuexiu iPARK Guangdong-Hong Kong Smart Valley

BUSINESS SCOPE

MASS TRANSPORTATION

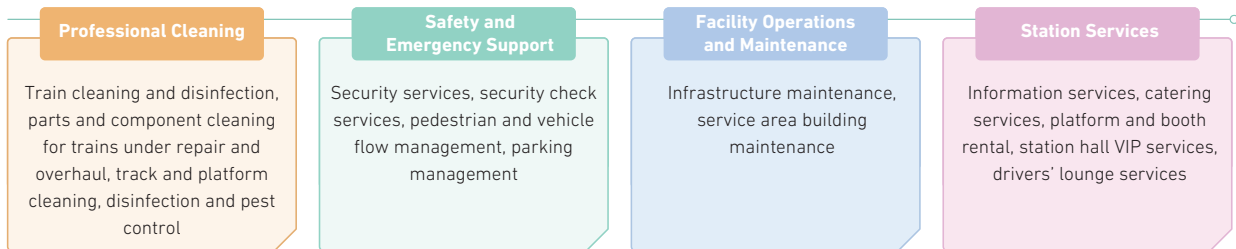
Integrated operations to ensure efficient and smooth urban public transportation

SECTOR COVERAGE



With “integrated operations” as the core, the Group has established a point-to-line public transportation service model by leveraging the operational capabilities of transportation stations, forming a service feature of “multi-network integration and seamless connection”, thereby comprehensively improving the efficiency of urban transportation operations and passenger experience.

SERVICE OFFERINGS



As of 31 December 2025, the GFA of mass transportation under management was 11.17 million sq.m..

REPRESENTATIVE PROJECTS



Guangzhou Metro



Guangzhou Baiyun Railway Station



Hong Kong-Zhuhai-Macao Bridge



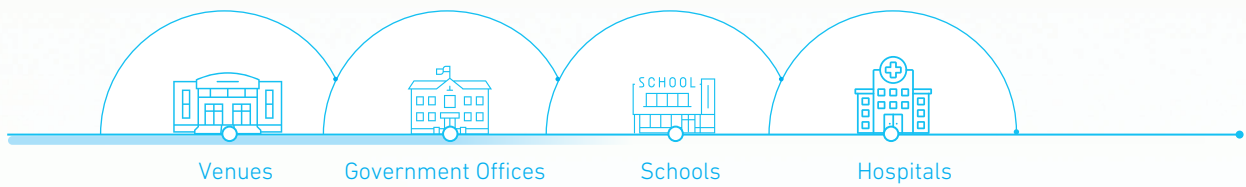
Tianjinxi Railway Station

BUSINESS SCOPE

PUBLIC PREMISES

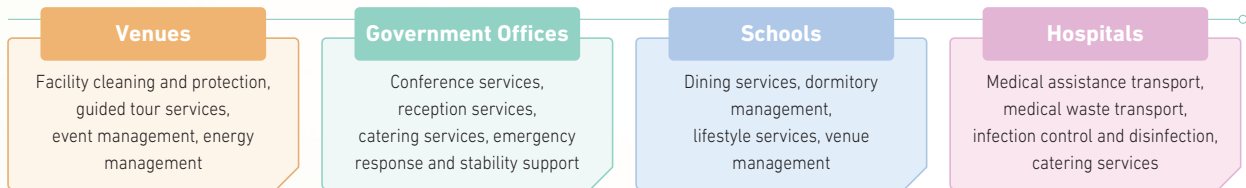
Essential + specialised characteristic services to upgrade the living experience in urban public spaces

SECTOR COVERAGE



As an operator of urban public spaces, the Group uses a dual-core model of “essential + specialised” services to inject new vitality into various types of public spaces through professional management and heartfelt services.

SERVICE OFFERINGS



As of 31 December 2025, the GFA of public premises under management was 3.94 million sq.m..

REPRESENTATIVE PROJECTS



Guangdong Science Center



Office Area of the Guangdong Provincial Committee of the CPPCC and the Guangdong Democracy Building



The Victory Memorial Hall of the Crossing the Yangtze River Campaign



Guangzhou Polytechnic of Sports

BUSINESS SCOPE

VALUE-ADDED SERVICE

Through resource integration and business model innovation, the Group built a business model based on “platform empowerment + scenario-driven services + ecosystem synergy” to promote the professional development of value-added services, comprehensively satisfying people’s pursuit of increasingly diverse lifestyles and enhancing their one-stop life service experience.

CULTURAL, COMMERCIAL AND TOURISM SERVICES

To become a community operator focused on commercial services in residential communities

Leveraging resources from over 2,000 strategic business alliances and focusing on diversified commercial spaces, community public spaces and urban public spaces, the Group provides all-round space commercial operation services, including research and planning, tenant sourcing, operation agency, brand promotion, and basic property management.

CORE SERVICES



Commercial operations



Commercial planning



Clubhouse operations



Self-operated business

PROPRIETARY BRANDS



BUSINESS SCOPE

REPRESENTATIVE PROJECTS



Suzhou YueFu Mansion



Wuxi Longtingli



Conghua Fengxing Pastoral Complex

LIFESTYLE SERVICES

To become a lifestyle service company that bridges supply and demand efficiently in communities

The Group has conducted in-depth research on the demands of customers, businesses, and the government. With customers' trust built through day-to-day operations, the Group strives to create flagship products covering urban operations, corporate logistics, and lifestyle services, thereby providing one-stop corporate and lifestyle service solutions that are convenient, affordable, quality-guaranteed, and tailor-made.

Community operation services focus on the daily needs of residents by offering commodity retail sales e.g. customised bottled water, grains and oils, as well as home-living services such as housekeeping services, household appliance cleaning, and community tourism. Corporate professional services include corporate welfare gift services, initial cleaning, conference management, event planning and management services, etc..

CORE SERVICES



Community fair



Catering services



Household appliance cleaning



Community tourism

PROPRIETARY BRANDS



BUSINESS SCOPE

PROPERTY ASSET MANAGEMENT SERVICES

To become a one-stop service company for property leasing and sales, partial renovation and home decoration

Based on the property asset management needs of residents, the Group has built an all-round and professional asset operation and management platform to provide customers with one-stop asset service solutions, covering various areas including the leasing and sales of second-hand properties, parking space sales, apartment operation and management, with the goal of assisting property owners in preserving and increasing the value of their assets. In addition, based on the three major stages of the full lifecycle of properties (development, delivery and use), the Group integrates its supply chain resources to provide one-stop whole-house/partial renovation services, including whole-house design, whole-house renovation, whole-house appliances and furniture, smart home solutions, balcony window sealing, soft furnishings, and old home renovations.

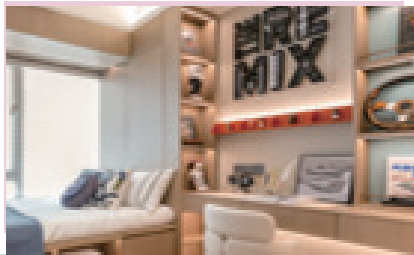
CORE SERVICES



Parking space sales



Property leasing and sales



New home move-in ready



Existing home renovation

PROPRIETARY BRAND



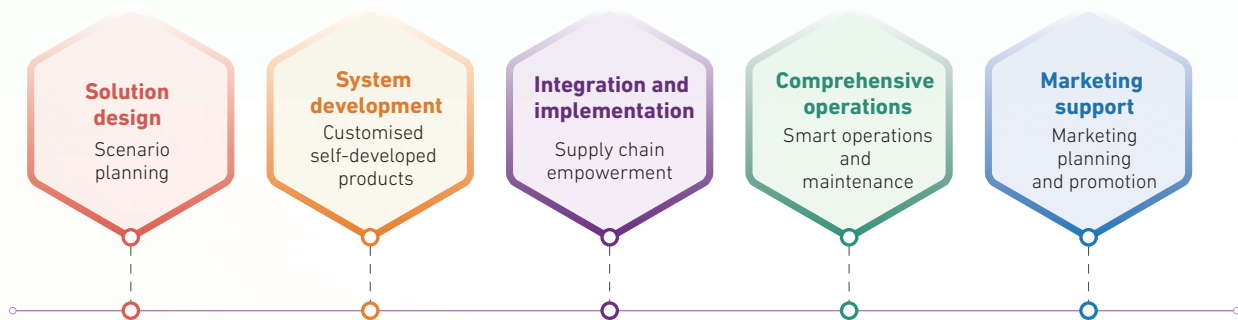
BUSINESS SCOPE

TECHNOLOGICAL SERVICES

To become a technology company that integrates software and hardware services for community spaces

Leveraging digital technologies such as the IoT, big data and cloud computing, the Group specialises in digitalisation and intelligent operation, providing a full chain of professional services for digital and technological operations in all scenarios, ranging from solution design, system development, integration and implementation, comprehensive operations to marketing support for various business types, including smart residences and communities, smart commercial spaces and office buildings, smart campuses, and smart industrial parks.

FULL-CHAIN SERVICES



BUSINESS SCOPE

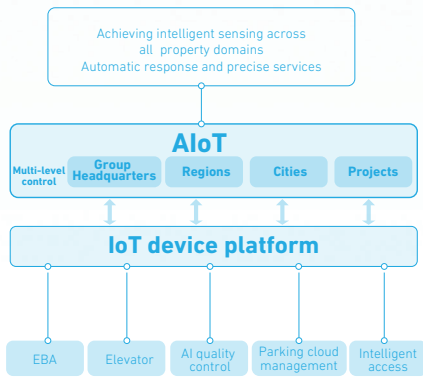
AI PLATFORM EMPOWERMENT

AI-Driven and Customer-Centric

AIoTT

AI quality control

AI Agent



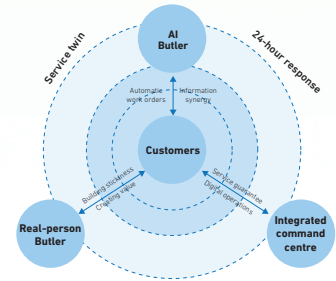
Realising AI-powered property quality management
From evidence collection for inspection to real-time management



In-house development of every stage, from management software and data acquisition hardware to algorithm models

- Chip localisation
- Low computing cost
- Breaking through protocol barriers

Future customer profile model: "1Xi"



Integrated business and finance

Integrated software and hardware services

Synergistic development of essential and value-added services

* EBA is an integrated electronic building automation system enabled by Internet of Things to facilitate smart management of equipment and facilities

NATIONWIDE PRESENCE

(As of 31 December 2025)



NATIONWIDE PRESENCE

(As of 31 December 2025)

44 cities
(including Hong Kong)

Contracted GFA
90.0
million sq.m.

Greater Bay Area:
56.8 million sq.m.

63%

East China:
9.1 million sq.m.

10%

Central and West China:
14.6 million sq.m.

16%

North China:
9.5 million sq.m.

11%

MAJOR EVENTS

1

UPGRADED RESIDENTIAL SERVICE STANDARD SYSTEM

Focusing on customer needs and satisfaction, the Group upgraded its residential service system to a four-tier structure, which clarified standards for personnel allocation and operational practices, so as to offer a service range that effectively balanced quality with cost



2

LAUNCHED THE “YUE RENEWAL (悦焕新)” SPECIAL PROJECT NATIONWIDE

Launched the “Yue Renewal (悦焕新)” special project in 83 communities across the country and completed a total of 228 quality renewal tasks, injecting vitality into the communities



3

EXTERNAL FULL-CHAIN COMMERCIAL OPERATION PROJECT LAUNCHED

The first externally sourced commercial operation project – Wuxi Longtingli launched, marking the successful implementation of full-chain one-stop commercial service model



4

IMPLEMENTED A NEW MANAGEMENT MODEL THROUGH THE INTEGRATED COMMAND CENTRE

Launched the integrated command centre that centralised hardware, software and services to establish a “platform + terminal” efficient operation system



MAJOR EVENTS

5

SUPPORTED THE NATIONAL GAMES WITH PROFESSIONAL SERVICES

The Hong Kong-Zhuhai-Macao Bridge project management team provided logistical support for the cross-border cycling race in the National Games, including equipment inspection, environmental maintenance and safety monitoring



6

UNVEILED 15TH FIVE-YEAR PLAN

Laid out a comprehensive blueprint for its 15th Five-Year Plan, with a customer-centric approach and a strong focus on quality, strengthening presence in key cities and sectors to ensure high-quality expansion and optimising the structure of value-added services to drive coordinated growth across business units



7

GAINED RECOGNITION FROM AUTHORITATIVE INSTITUTIONS FOR PROFESSIONAL COMPETENCE

Won the honor of "Top 11 among the 2025 Top 100 Property Service Enterprises in China (2025中國物業服務力百強企業第11名)" by CRIC Property Management and China Property Management Research Institution (中物研協)



8

RECEIVED AN AA RATING IN THE WIND ESG RANKINGS

Wind ESG rating upgraded to AA, the highest rating awarded to property management companies in Chinese mainland, marking the second consecutive year of rating improvement



HIGHLIGHTS OF SUSTAINABLE DEVELOPMENT

The Company takes “value co-creation, eco-friendly development, and service excellence” as the core of its sustainable development strategy, and systematically promotes the implementation of sustainable development goals through the “three-step development plan” and focusing on the “four strategic pillars” and focusing on the “four strategic pillars”, striving to become a leader in sustainable development in the property services industry. In order to further promote the deep integration of the Company’s strategy and its sustainable development, to lead the Company to achieve long-term sound development and to proactively promote the more comprehensive, widespread and in-depth influence of the Company in sustainable development, the Environmental, Social and Governance Committee was renamed as the Sustainability Committee and the terms of reference of the committee were adjusted accordingly. This initiative marks the complete transition of the Company’s sustainability management system from a tool-based application stage to a high-level system driven by value leadership, community cultivation, and strategic direction. It also reflects our firm belief in upholding long-termism, proactively fulfilling the mission of the sustainable era, and diligently performing industry responsibilities.

The following is an outline of the major highlights of the Company’s sustainable development in 2025 and the latest progress made in various fields. For details of our sustainability strategy, governance policies, targets and indicators, and progress performance, please refer to the Company’s 2025 Sustainability Report which will be available on the Company’s website or the website of the Hong Kong Stock Exchange.

MAJOR ACHIEVEMENTS AND HIGHLIGHTS IN 2025

ENVIRONMENTAL ACHIEVEMENTS



Carbon emission intensity

Scope 1 greenhouse gas carbon emission intensity per unit area decreased by **44%** year-on-year



Waste management

Hazardous waste emission intensity (by revenue) decreased by **5%** year-on-year



Energy conservation renovation

Replaced nearly 50,000 energy-saving lamps, achieving an annual electricity saving of approximately **3.72 million kWh**



Scope 3 carbon emissions

Completed data collection and disclosure for **6** categories



Green power trading

12 million kWh



Green maintenance

Completed 198,700 m² of lawn renovation, eliminating 3,000 patches of bare soil, with the national lawn baldness rate for 1,933,200 m² of lawn at only **1%**

SOCIAL ACHIEVEMENTS



Customer satisfaction

Residential property reached **85.6** points*
Commercial property reached **99.7** points



Annual work-related fatality

0



Launched the “Yue Renewal” initiative

Reached **83** communities and completed **228** quality renewals



Training coverage for employees

100%



Coverage for intelligent access and intelligent parking systems

100%



Investment in charity and community services

RMB20,817,000

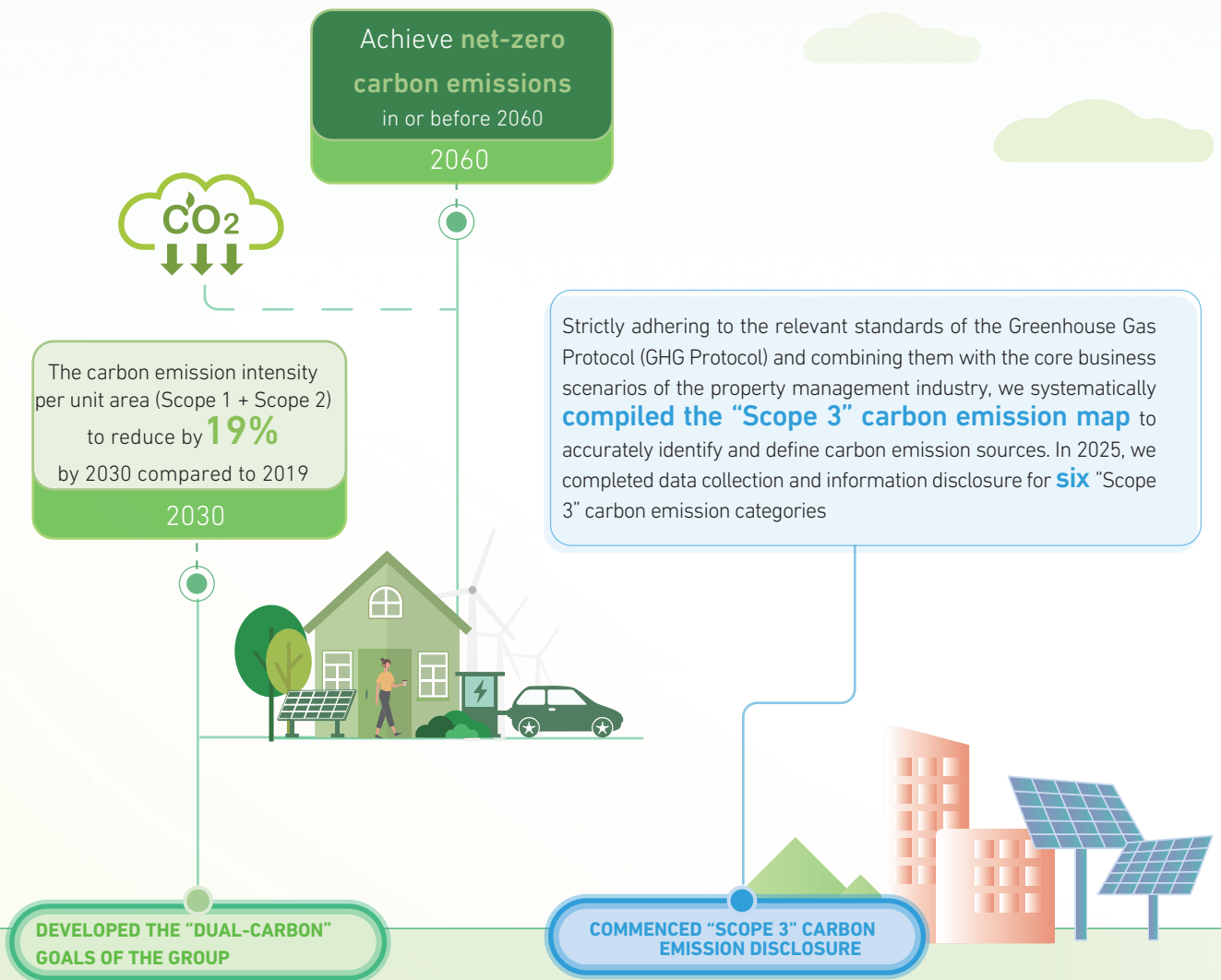
* The property owner satisfaction score across the four key areas of cleaning, greening, security, and maintenance, as well as customer services according to monthly survey data from third-party research firm FG Consulting

HIGHLIGHTS OF SUSTAINABLE DEVELOPMENT

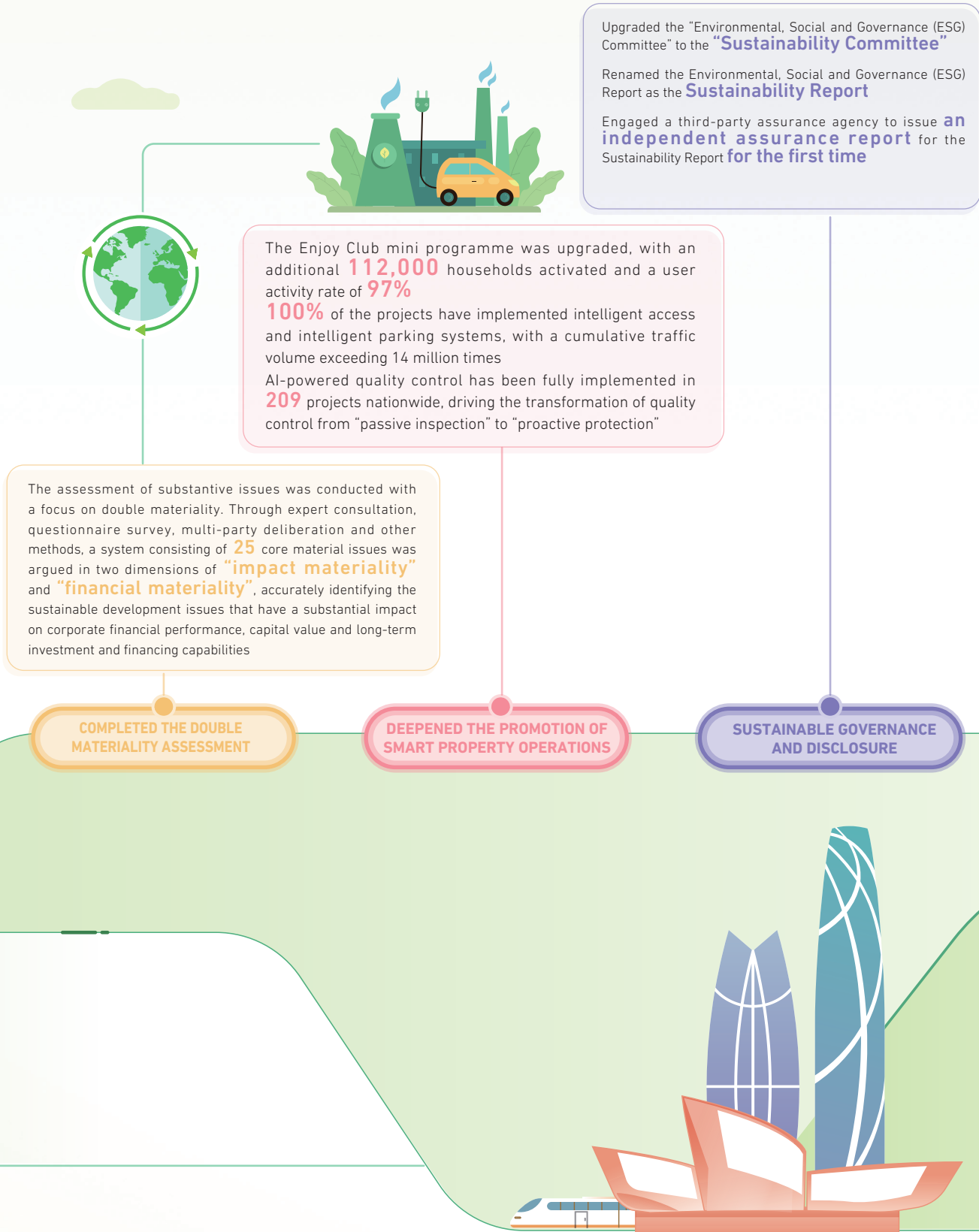


HIGHLIGHTS OF SUSTAINABLE DEVELOPMENT

KEY MILESTONES FOR SUSTAINABLE DEVELOPMENT IN 2025



HIGHLIGHTS OF SUSTAINABLE DEVELOPMENT



HONOURS AND AWARDS



No.	Name of Award	Awarded by
1	11th place among the 2025 Top 100 Property Management Companies in China (2025中國物業服務百強企業第十一名)	China Index Academy
2	TOP 1 among the 2025 Top 50 Outstanding Property Service Companies in Guangzhou (2025年廣州市物業服務優秀企業50強TOP1)	China Index Academy
3	1st place among the 2025 Guangzhou Property Management Company in terms of Comprehensive Strength (2025廣州市物業服務企業綜合實力第一名)	China Index Academy
4	2025 Top 100 China Leading Property Service Enterprise in Customer Satisfaction (2025中國物業服務百強滿意度領先企業)	China Index Academy
5	2025 Leading Enterprise in Property Service Market Position in the Guangdong-Hong Kong-Macao Greater Bay Area (2025粵港澳大灣區物業服務市場地位領先企業)	China Index Academy
6	2025 Outstanding Enterprise for Commercial Property Services in China (2025中國商業物業服務力優秀企業)	China Index Academy
7	2025 China Excellent IFM Service Companies (2025中國IFM服務優秀企業)	China Index Academy
8	2025 China Leading Technology-Empowered Property Enterprise (2025中國物業科技賦能領先企業)	China Index Academy

HONOURS AND AWARDS



No. Name of Award

Awarded by

9	TOP 8 among the 2025 China Property Service Listed Companies in terms of Non-residential Property Services (2025中國物業服務上市公司非住宅物業服務TOP8)	China Index Academy
10	China's Exceptional Property Management Companies in terms of ESG Development for 2025 (2025中國物業服務ESG發展優秀企業)	China Index Academy
11	11th place among the 2025 Top 100 Property Service Enterprises in China (2025中國物業服務力百強企業第11名)	CRIC Property Management, China Property Management Research Institution (中物研協)
12	2025 China Leading High-end Property Service Company (2025中國高端物業服務領先企業)	CRIC Property Management, China Property Management Research Institution (中物研協)
13	2025 Leading Smart Community Service Enterprise in China (2025中國智慧社區服務領先企業)	CRIC Property Management, China Property Management Research Institution (中物研協)
14	2025 Leading Companies in terms of Public Property Services in China (2025中國公建物業服務領先企業)	CRIC Property Management, China Property Management Research Institution (中物研協)
15	2025 Property ESG Sustainable Development Leading Enterprise (2025物業ESG可持續發展領先企業)	CRIC Property Management, China Property Management Research Institution (中物研協)
16	2025 ESG Development Index of State-owned Enterprises in Greater Bay Area (2025年度大灣區國企ESG發展指數)	Research Group of Blue Book on ESG of State-owned Enterprises Holding Listed Companies in Guangdong-Hong Kong-Macao Greater Bay Area (2025)



CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT

○ **Mr. Jiang Guoxiong**
Chairman of the Board



Dear Shareholders,

In 2025, Yuexiu Services Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) adhered to the annual theme of “refined services & innovation for sustainable growth” and prioritised organisational reform. This enabled the Group to promote steady improvements in service quality, accelerate the transformation of the value-added services business, and enhance the quality of market expansion projects, thereby laying a more solid foundation for the Group’s long-term development.

INDUSTRY REVIEW

In 2025, the property management industry entered a new stage of development, marked by increased competition for existing projects, and a sharper focus on service quality and refined operations. Firstly, policy guidance had been strengthened and the regulatory framework continued to improve. Multi-faceted policy initiatives, such as the Central Commission for Discipline Inspection’s emphasis on rectifying industry irregularities, the People’s Daily’s advocacy for standardised services, and the Ministry of Housing and Urban-Rural Development’s promotion of “urban management at the community level”, were driving the industry towards a higher level of compliance and transparency. Secondly, market dynamics had become more prominent. The industry’s growth rate had slowed, with revenue growth declining from its peak, and the market landscape shifting from “incremental expansion” to “competition for existing projects”. Against this

CHAIRMAN'S STATEMENT

backdrop, the industry had become more concentrated, with leading players increasingly seizing high-quality resources and market share. Thirdly, technology-driven transformation was accelerating. Digital intelligence technologies, including AI, IoT and big data, were increasingly integrated into business processes, becoming the core driver for companies to improve quality, reduce costs, increase efficiency and build differentiated competitive advantages, thereby driving fundamental changes in operating and service models.

BUSINESS REVIEW

OPERATING RESULTS REMAINED STABLE

The Group's revenue for the year ended 31 December 2025 (the "Year") was RMB3,901.9 million, up 0.9% from the year ended 31 December 2024 (the "Previous Year"). Profit attributable to owners of the Company was RMB273.7 million, down 22.5% from the Previous Year.

The board (the "Board") of directors (the "Directors") of the Company proposed to declare a final dividend of HKD0.037 per share of the Company (the "Share") (equal to RMB0.030 per Share) for the Year. Together with the interim dividend, total dividend for the full year of 2025 was HKD0.125 per share (equivalent to RMB0.110 per share), raising the dividend payout ratio for the full year to 60%.

DEEPENING THE QUALITY OF REFINED SERVICES

The Group has always put customer needs and satisfaction at the core of its operations. Through a comprehensive approach combining "standardised + intelligent + personalised" services, the Group had built an industry-leading service operating model and achieved improvements in both service efficiency and customer satisfaction during the Year.

The Group had established a four-tiered service system offering a tailored service range that aligned quality with price. The system comprised "Zun Yue (尊悦) (the TOP tier), Zhen Yue (臻悦) (the premium tier), Bo Yue (铂悦) (the mid-to-premium tier) and Xiang Yue (享悦) (the inclusive tier)". By calibrating the workforce efficiency model according to the service tier, the Group aimed to achieve close alignment between service quality and customer value. At the same time, the Group launched specific initiatives in four key areas in property management – cleaning, greening, security, and maintenance – to address issues such as building and basement sanitation and exposed soil on lawns. The Group also implemented the "Yue Renewal (悦焕新)" special project in older residential compounds. Through its community operations, the Group had built a three-level structure of "life butler + interest community + public welfare platform". This had helped strengthen emotion connections with residents, whilst continuously improving the quality of the living environment and building resident loyalty. According to monthly survey data from third-party research firm FG Consulting, in the residential projects managed by the Group, owner satisfaction score across the four key areas of cleaning, greening, security, and maintenance, as well as customer service, achieved 85.6 points for the Year, up by 2.2 points year-on-year.

In addition, the Group actively pursued smart service initiatives. The Group launched the centralised command centre that integrated hardware, software and services. The management dashboard enabled the visualisation of operational data at project level; the integrated electronic building automation system automatically collected data on operational efficiency and equipment performance; and the AI quality control technology automatically identified anomalies and issued alerts, enabling intelligent quality control.

CHAIRMAN'S STATEMENT

OPTIMISING THE STRUCTURE OF VALUE-ADDED BUSINESSES

In 2025, the Group established its value-added business department. Through resource integration and business model innovation, the department built a business model based on “platform empowerment + scenario-driven services + ecosystem synergy” to promote the professional development of the three major sectors: lifestyle services, community commercial services and property asset management services.

In terms of lifestyle services, the Group capitalised on a portfolio of flagship products and in-depth channel development to drive community consumption. Focusing on high-frequency and essential goods, the Group had developed four flagship products: customised bottled water, grains and oils, air conditioner cleaning solutions, and Mid-Autumn Festival moon cakes. It also optimised its distribution channels by increasing front-load warehouses in communities.

In terms of community commercial services, the Group had made significant progress in external expansion and the provision of full-chain services, setting a new benchmark for commercial operations. During the Year, the first externally sourced project commenced operations in Wuxi, enabling the implementation of a one-stop service model for the entire commercial chain. The Group had also deployed a “smart customer flow analysis system” to predict consumption trends with greater accuracy and help merchants increase sales.

In terms of property asset management services, through spatial restructuring and scenario integration, the Group has opened up new spaces with diversified value. The first “Yue + LIFE” lifestyle store, a multifunctional composite lifestyle space integrating property leasing and sales, home living and other service offerings, was successfully launched, enhancing customer engagement and service experience. As for the home furnishing business, the Group completed the upgrade and renovation of vacant office units and made progress in B2B engineering services for business clients.

EXPANDING HIGH-QUALITY GROWTH MARKETS

In 2025, the Group established a refined investment and development framework characterised by rigorous project screening, informed decision-making, and closed-loop management throughout the entire lifecycle. This framework enabled closed-loop management from project screening and decision-making to operations, thereby significantly improving the accuracy and success rate of market expansion. A non-residential business department was established to capture business opportunities in strategic sub-segments including banks and campuses. Non-residential business accounted for 87% of the contract value of market expansion projects for the Year. Development was balanced across four major business segments: residential properties, commercial properties and industrial parks, mass transportation, and public premises. During the Year, the Group successfully acquired contracts for high-quality projects such as the Tianjinxi Railway Station, the National Learning Centre of Industrial and Commercial Bank of China, the Guangdong Port & Shipping Building, the Victory Memorial Hall of the Crossing the Yangtze River Campaign in Nanjing and the Jingyang Lake Science and Innovation Park. This enhanced the balance and quality of the Group’s business portfolio and improved its overall market expansion capabilities. During the Year, the Group’s market expansion projects achieved a collection rate of 94%.

CHAIRMAN'S STATEMENT

In 2025, the Group signed contracts for 69 (2024: 85) new projects, adding a total contracted gross floor area (“GFA”) of 9.8 million sq.m. (2024: 13.0 million sq.m.). At the same time, the Group proactively withdrew from low-quality and inefficient projects, terminating contracts totalling 6.5 million sq.m. (2024: 7.2 million sq.m.) of contracted GFA in 2025, thereby continuously optimising its portfolio of managed projects. As of 31 December 2025, the Group managed 465 projects (2024: 437) with a total GFA of 73.5 million sq.m. (2024: 69.3 million sq.m.) and was contracted to manage 521 (2024: 508) projects with a total contracted GFA of 90.0 million sq.m. (2024: 88.7 million sq.m.). The Group continued to strengthen its national presence, focusing on the Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”), with its contracted management projects spanning 44 (2024: 48) cities, including Hong Kong, focusing on key cities with higher density and profitability.

AWARDS AND RECOGNITIONS

In 2025, the Group received numerous accolades, including rising one place to 11th place on the list of TOP 100 Property Management Companies in China (中國物業服務百強企業) and achieving first place among the Top 50 Outstanding Property Management Companies in Guangzhou (廣州市物業服務優秀企業50強). Both lists were published by the Beijing China Index Academy, an authoritative industry institution. As part of the Group’s continued promotion in sustainable development, the Group’s S&P CSA score improved to 52, ranking among the top 11% of global peers; and its Wind ESG rating improved to AA, the highest rating awarded to property management companies in Chinese mainland.

OUTLOOK

Looking ahead, against the profound adjustments in the real estate industry and deepening market-oriented reforms in the property management sector, the property management industry is at a turning point, shifting from “scale expansion” to “value creation”. As policy compliance requirements continue to tighten and industry consolidation accelerates, the market landscape is expected to become increasingly diverged. This process has made high-quality development an irreversible trend. Through service enhancement, technological empowerment and business model innovation, outstanding industry leaders are creating new opportunities for high-quality growth in the existing market. In 2026, the Group will adopt the annual theme of “refined services, management innovation, structure optimisation, and forging ahead against headwinds”. It will work to consolidate the foundation of its service quality, pursue both scale and quality in market expansion, accelerate the optimisation of its value-added services offerings, improve cost efficiency and continue to promote organisational reform, committing its full efforts to align with the “15th Five-Year” plan.

STRENGTHENING THE FOUNDATION TO IMPROVE QUALITY AND EFFICIENCY

The Group will promote the effective implementation of its four-tiered service system to better align service quality with cost, enhance customer experience in various scenarios, strengthen its established reputation for high-quality services, and improve customer satisfaction and service competitiveness. At the same time, the Group will leverage AI quality control, EBA-FM and other digital tools to enable remote inspections, thereby implementing an integrated approach combining “technology + management”, improving workforce efficiency, and ultimately achieving effective cost control.

CHAIRMAN'S STATEMENT

EXPANDING SCALE TO ACHIEVE HIGH-QUALITY GROWTH

The Group will further strengthen its presence in strategic cities and key segments with a focus on four major sectors while pursuing business opportunities in four non-residential sub-sectors: banks, corporate headquarters, government premises and campuses. In addition to raising standards, strengthening quality control and enhancing risk management, the Group will pursue high-quality project contracts in a more targeted manner and build a forward-looking interactive mechanism that combines expansion and operations to improve project efficiency.

OPTIMISING VALUE-ADDED SERVICES AND BUILDING DIVERSIFIED GROWTH DRIVERS

The Group will maximise the effectiveness of its value-added services department, focusing on the three areas of “upgrading products and services, innovating business models, and strengthening front-line collaboration”. By optimising incentive and collaboration mechanisms, the Group aims to promote integrated business development, and refine the strategic positioning and business structure of its lifestyle services, community commercial services and asset services platforms, thereby building diversified and sustainable profit growth drivers for the Group.

At the same time, the Group will improve cost efficiency through lean operations. The Group will promote greater standardisation and refinement in personnel allocation across businesses to enhance operational efficiency, and reduce costs on quality control by optimising operation practices with digital and intelligent approaches and technological solutions. Additionally, it will further improve its strategic procurement system, capitalising on economies of scale and strengthening bargaining position with suppliers, thereby reducing operation costs.

While promoting high-quality business development, the Group also prioritises sustainability management. It actively embraces its corporate social responsibility and fulfils its obligations as a state-owned enterprise, aiming to maximise overall value across economic, social, and environmental dimensions. The Group will remain committed to its core strategy of “value co creation, eco-friendly development, and service excellence”, steadily advancing its three-step development plan while deepening its focus on four strategic pillars. The Group will continue to harness technology to enhance quality and efficiency, strengthen service foundations through standardisation, and refine its end-to-end sustainable development management system continuously. Meanwhile, it will advance climate-related information disclosure and implement its dual carbon goals with precision. The Group will integrate green and low-carbon principles throughout the entire property services value chain, with a focus on creating low-carbon, liveable communities and promoting a collaborative ecological development. Through its sustainable practices, the Group aims to empower high-quality urban development, creating sustainable communities for the future and achieving mutual growth and synergy between commercial and social values. The Group is committed to setting a standard for sustainable development in the property management industry and contributing Yuexiu's strength to the industry's high-quality advancement and the sustainable development of society.

Going forward, the Group will maintain a long-term perspective, enhancing customer satisfaction and brand awareness by providing high-quality services and products to strengthen its core competitiveness and become a leading and trusted smart city service provider.

ACKNOWLEDGEMENTS

We would like to extend our sincere gratitude to our shareholders, partners, and customers for their support, as well as to all of our employees for their hard work and dedication, which have been instrumental to the Group's success and growth.

Jiang Guoxiong

Chairman of the Board

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

OVERVIEW

The Group is one of the leading property management companies in the Greater Bay Area. The Group is committed to providing diversified and integrated services across a wide range of properties, including residential properties, shopping malls, office buildings, public amenities, urban railways, metro stations and metro depots. Its primary businesses are:

- (i) non-commercial property management and value-added services – which consist of property management services, value-added services to non-property owners and community value-added services; and
- (ii) commercial property management and operational services – which consist of commercial operation and management services and market positioning consultancy and tenant sourcing services.

As of 31 December 2025, the Group:

- had 521 (31 December 2024: 508) contracted projects, with a total contracted GFA of 90.0 million sq.m. (31 December 2024: 88.7 million sq.m.), representing a year-on-year increase of 1.4% in contracted GFA; and
- had 465 (31 December 2024: 437) projects under management, with a total GFA under management of 73.5 million sq.m. (31 December 2024: 69.3 million sq.m.), representing a year-on-year increase of 6.0% in GFA under management.

The table below sets forth the change in the Group's number of contracted projects and projects under management as of the dates indicated.

(number)	As of 31 December 2025		As of 31 December 2024	
	Contracted projects	Projects under management	Contracted projects	Projects under management
Total projects	521	465	508	437

The table below sets forth the change in the Group's contracted GFA and GFA under management for the periods indicated.

(sq.m. in thousands)	Year ended 31 December			
	2025		2024	
	Contracted GFA ⁽¹⁾	GFA under management ⁽²⁾	Contracted GFA	GFA under management
As of the beginning of the year	88,727	69,309	83,448	65,211
New engagements	9,800	10,708	12,953	11,305
Terminations	(8,522)	(6,549)	(7,674)	(7,207)
As of the end of the year	90,005	73,468	88,727	69,309

Notes:

(1) Contracted GFA means gross floor area currently being managed or to be managed by the Group under signed property management service contracts.

(2) GFA under management means gross floor area currently being managed by the Group under signed property management service contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

As of 31 December 2025, among the GFA under management, approximately 62% was located in the Greater Bay Area and 92% was distributed in first- and second-tier cities, providing a solid foundation for the Company's stable future development.

The table below sets forth a geographical breakdown of the Group's contracted GFA and GFA under management as of the dates indicated.

(sq.m. in thousands)	As of 31 December			
	2025		2024	
	Contracted GFA	GFA under management	Contracted GFA	GFA under management
Greater Bay Area	56,808	45,712	54,959	41,511
East China Region	9,085	7,956	9,112	7,500
Central and West China Region	14,582	11,420	15,711	12,708
North China Region	9,530	8,380	8,945	7,590
Total	90,005	73,468	88,727	69,309

Non-commercial property management and value-added services

The Group provides a wide spectrum of property management services and value-added services to non-commercial properties, which primarily comprise residential properties, TOD properties, public premises and industrial parks. In particular, it offers:

- **Property management services.** The Group provides cleaning, security, gardening and repair and maintenance services to property owners, property owners' associations and/or residents for properties sold and delivered, and to property developers for the pre-delivery stage of residential properties.
- **Value-added services to non-property owners.** The Group provides value-added services to non-property owners, which include: (i) sales office and display unit management and pre-delivery support services; (ii) carpark space sales assistance services; (iii) ancillary property leasing services; and (iv) preliminary planning and design consultancy services and intelligent services.
- **Community value-added services.** The Group provides community value-added services to meet the needs of property owners and residents of residential properties under its management. Such services include: (i) homeliving services; (ii) space operation services; and (iii) decoration, turnkey and move-in furnishing services.

MANAGEMENT DISCUSSION AND ANALYSIS

As of 31 December 2025, the Group:

- had 438 (31 December 2024: 423) contracted non-commercial projects, with a contracted GFA of 82.4 million sq.m. (31 December 2024: 81.3 million sq.m.); and
- had 387 (31 December 2024: 359) non-commercial projects under management, with a GFA under management of 66.5 million sq.m. (31 December 2024: 62.7 million sq.m.).

The table below sets forth the change in the Group's contracted non-commercial projects and non-commercial projects under management as of the dates indicated.

(number)	As of 31 December 2025		As of 31 December 2024	
	Contracted projects	Projects under management	Contracted projects	Projects under management
Non-commercial projects	438	387	423	359

The table below sets forth the Group's contracted GFA and GFA under management of non-commercial projects as of the dates indicated.

(sq.m. in thousands)	As of 31 December 2025		As of 31 December 2024	
	Contracted GFA	GFA under management	Contracted GFA	GFA under management
Non-commercial projects	82,423	66,484	81,292	62,652

For the Year, the average property management fee of residential projects increased slightly at RMB2.9/sq.m./month (Previous Year: RMB2.8/sq.m./month).

The table below sets forth the Group's average property management fee of residential projects for the periods indicated.

(RMB/sq.m./month)	Year ended 31 December	
	2025	2024
Residential projects	2.9	2.8

As of 31 December 2025, the Group has served over 330,000 property owners. Based on this, it had deeply established community value-added services and continuously expanded the scope of services.

MANAGEMENT DISCUSSION AND ANALYSIS

Commercial property management and operational services

The Group provides property management and operational services to commercial properties, which primarily comprise office buildings, shopping malls and wholesale markets. In particular, it offers:

- **Commercial operation and management services.** The Group provides commercial operation and management services to property owners, property developers and tenants, which mainly consist of commercial property management services and other value-added services such as carpark management and operational services and space operation services (including advertising space leasing and common area leasing services).
- **Market positioning consultancy and tenant sourcing services.** The Group provides market positioning consultancy and tenant sourcing services to property developers and property owners, including market positioning and management consultancy services and tenant sourcing services.

As of 31 December 2025, the Group:

- had 83 (31 December 2024: 85) contracted commercial projects, with a contracted GFA of 7.6 million sq.m. (31 December 2024: 7.4 million sq.m.); and
- had 78 (31 December 2024: 78) commercial projects under management, with a GFA under management of 7.0 million sq.m. (31 December 2024: 6.7 million sq.m.).

The table below sets forth the change in the Group's number of contracted commercial projects and commercial projects under management as of the dates indicated.

(number)	As of 31 December 2025		As of 31 December 2024	
	Contracted projects	Projects under management	Contracted projects	Projects under management
Commercial projects	83	78	85	78

The table below sets forth the Group's contracted GFA and GFA under management in its commercial projects as of the dates indicated.

(sq.m. in thousands)	As of 31 December 2025		As of 31 December 2024	
	Contracted GFA	GFA under management	Contracted GFA	GFA under management
Commercial projects	7,582	6,985	7,435	6,657

For the Year, the average management fee for office buildings and shopping malls was RMB17.4/sq.m./month (Previous Year: RMB20.0/sq.m./month) and RMB27.7/sq.m./month (Previous Year: RMB25.6/sq.m./month), respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth the Group's average property management fee at commercial projects for the periods indicated.

(RMB/sq.m./month)	Year ended 31 December	
	2025	2024
Office buildings	17.4	20.0
Shopping malls	27.7	25.6

FINANCIAL REVIEW

REVENUE

For the Year, the Group's revenue amounted to RMB3,901.9 million (Previous Year: RMB3,868.2 million), representing a year-on-year increase of 0.9%.

The table below sets forth a breakdown of the Group's revenue by business segment for the years indicated.

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Non-commercial property management and value-added services	3,153,352	80.8	3,134,236	81.0
Commercial property management and operational services	748,538	19.2	733,916	19.0
Total	3,901,890	100.0	3,868,152	100.0

The table below sets forth the breakdown of the Group's revenue by type of ultimate paying customer for the years indicated.

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
GZYX, Yuexiu Property and their respective joint ventures, associates or other related parties ⁽¹⁾	1,422,838	36.5	1,462,947	37.8
Independent third parties ⁽²⁾	2,479,052	63.5	2,405,205	62.2
Total	3,901,890	100	3,868,152	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) Comprise Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司) (“GZYX”), Yuexiu Property Company Limited (Stock code: 123) (“Yuexiu Property”), both being the controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) of the Company, and their respective joint ventures, associates or other related parties.
- (2) Comprise entity or person who is not a connected person (as defined in the Listing Rules) of the Company (“Independent Third Parties”).

The Group generally provided property management services to Independent Third Party customers (who were property owners, residents, tenants, property owners’ associations and property developers), after the delivery of properties by property developers (which were GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties or Independent Third Parties). During the Year, the Group’s revenue received from GZYX, Yuexiu Property and their respective joint ventures, associates or other related parties amounted to RMB1,422.8 million, representing a decrease of RMB40.1 million or a year-on-year decrease of 2.7% as compared to RMB1,462.9 million for the Previous Year. The decrease was mainly due to the combined effect of a shrinking scale of agency business as a result of the overall slowdown in the real estate industry and the growth in the intelligent business.

The table below sets forth the geographical breakdown of the Group’s revenue for the years indicated.

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Chinese mainland	3,799,456	97.4	3,766,996	97.4
Hong Kong	102,434	2.6	101,156	2.6
Total	3,901,890	100.0	3,868,152	100.0

Non-commercial property management and value-added services

For the Year, revenue from non-commercial property management and value-added services remained generally stable at RMB3,153.4 million (Previous Year: RMB3,134.2 million), of which:

- (i) revenue from property management services increased from RMB1,236.3 million for the Previous Year to RMB1,499.0 million for the Year, representing an increase of 21.3%, primarily attributable to the expansion of business scale. The number of non-commercial projects under its management increased to 387 and the GFA under management increased to 66.5 million sq.m. as of 31 December 2025;
- (ii) revenue from value-added services to non-property owners increased from RMB680.8 million for the Previous Year to RMB691.1 million for the Year, representing a year-on-year increase of 1.5%. This was primarily attributable to the combined effect of the decrease in revenue from carpark space sales assistance services and the increase in revenue from intelligent business; and
- (iii) revenue from community value-added services decreased from RMB1,217.2 million for the Previous Year to RMB963.3 million for the Year, representing a decrease of 20.9%. This was primarily attributable to the completion of a specific phase of non-recurring home structural engineering business.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth the breakdown of the Group's revenue from this business segment by type of services for the years indicated.

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Property management services	1,499,002	47.5	1,236,278	39.4
Value-added services to non-property owners	691,072	21.9	680,808	21.7
Community value-added services	963,278	30.6	1,217,150	38.9
Total	3,153,352	100.0	3,134,236	100.0

Commercial property management and operational services

For the Year, revenue from commercial property management and operational services amounted to RMB748.5 million (Previous Year: RMB733.9 million), representing a year-on-year increase of 2.0%. Revenue from commercial operation and management services decreased, which was mainly due to the impact of the decline in the occupancy rate of commercial projects. Meanwhile, more commercial projects enter the preliminary preparation stage, driving the growth of revenue from market positioning consultancy and tenant sourcing services.

The table below sets forth the breakdown of the Group's revenue from this business segment by type of services for the years indicated.

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Commercial operation and management services	616,677	82.4	630,404	85.9
Market positioning consultancy and tenant sourcing services	131,861	17.6	103,512	14.1
Total	748,538	100.0	733,916	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

COST OF SALES

The Group's cost of sales represents costs and expenses directly attributable to the provision of its services, which mainly comprises employee benefit expenses, cost of labour dispatch services, subcontractor costs for decoration and other services, cost of goods sold, maintenance costs and depreciation and amortisation.

For the Year, the Group's cost of sales was RMB3,325.2 million (Previous Year: RMB2,966.5 million), representing a year-on-year increase of 12.1%, which was mainly attributable to the increments from the expansion of the GFA under management and business scale. The cost of sales grew at a faster rate than revenue, primarily driven by a contraction in high-margin value-added services, such as brokerage services, as impacted by a significant downturn in the real estate sector.

For the Year, the cost of sales included the following items:

Employee benefit expenses of RMB707.8 million (Previous Year: RMB687.6 million), representing a year-on-year increase of 2.9%; cost of labour dispatch services of RMB304.0 million (Previous Year: RMB228.3 million), representing a year-on-year increase of 33.2%. Their combined increase of 10.5% was driven by factors such as scale expansion and government policy adjustments.

Gardening and cleaning expenses of RMB699.7 million (Previous Year: RMB527.6 million), representing a year-on-year increase of 32.6%. This was primarily attributable to the expansion of business scale and the increased investment in service quality improvement to address demands of higher service quality from our customers.

Subcontractor costs for decoration and other services of RMB447.7 million (Previous Year: RMB555.2 million), representing a year-on-year decrease of 19.4%. This was primarily attributable to the combined effect of the reduction in the home structural engineering and the growth in the intelligent business.

Cost of goods sold of RMB313.9 million (Previous Year: RMB226.3 million), representing a year-on-year increase of 38.7%, aligning with the increase in the lifestyle services business.

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth the Group's gross profit and gross profit margin by business segments for the years indicated.

	Year ended 31 December			
	2025		2024	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
Non-commercial property management and value-added services				
– Property management services	168,948	11.3	185,295	15.0
– Value-added services to non-property owners	68,801	10.0	151,141	22.2
– Community value-added services	183,874	19.1	350,362	28.8
Sub-total	421,623	13.4	686,798	21.9
Commercial property management and operational services				
– Commercial operation and management services	126,239	20.5	173,441	27.5
– Market positioning consultancy and tenant sourcing services	28,858	21.9	41,377	40.0
Sub-total	155,097	20.7	214,818	29.3
Total	576,720	14.8	901,616	23.3

The Group's gross profit decreased from RMB901.6 million for the Previous Year to RMB576.7 million for the Year and its overall gross profit margin decreased from 23.3% for the Previous Year to 14.8% for the Year, which was mainly due to the following reasons:

MANAGEMENT DISCUSSION AND ANALYSIS

The gross profit margin for non-commercial property management and value-added services decreased from 21.9% for the Previous Year to 13.4% for the Year, of which: (i) the gross profit margin for property management services decreased by 3.7 percentage points, mainly attributable to the increased cost in service quality enhancements and the increase in labour costs due to policy changes; (ii) the gross profit margin for value-added services to non-property owners decreased by 12.2 percentage points, primarily attributable to the industry-wide slowdown in real estate development, resulting in reduced demand for high-margin value-added services for non-property owners, such as carpark space sales assistance services; and (iii) the gross profit margin for community value-added services decreased by 9.7 percentage points, primarily attributable to the completion of a specific phase of non-recurring home structural engineering business, leading to a decline in gross profit from this segment.

The gross profit margin for commercial property management and operational services decreased from 29.3% for the Previous Year to 20.7% for the Year, primarily due to the combined effect of the decrease in revenue caused by the decline in the occupancy rate of commercial projects resulting from the impact of the macro environment and the increased costs to stabilise occupancy rate.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group mainly comprise employee benefit expenses, consultancy fees, depreciation and amortisation charges, travelling and entertainment expenses, and bank charges. For the Year, administrative expenses of the Group amounted to RMB291.2 million, representing a decrease of 1.7% as compared to that of RMB296.4 million for the Previous Year. This benefited from measures for cost control, efficiency enhancement and organisational optimisation, which continuously improved management efficiency.

OTHER INCOME AND GAINS, NET

Other income and gains, net of the Group primarily consist of interest income from bank deposits, government grants and net foreign exchange gains and losses. For the Year, other income and gains of the Group amounted to RMB104.1 million (Previous Year: RMB114.0 million), of which interest income from bank deposits amounted to RMB94.1 million (Previous Year: RMB106.7 million), representing a decrease of 11.8%, primarily attributable to the downward adjustment of market interest rates.

INCOME TAX EXPENSES

For the Year, income tax expenses of the Group were RMB85.0 million (Previous Year: RMB176.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS

PROFIT FOR THE YEAR

For the Year, net profit of the Group amounted to RMB277.9 million (Previous Year: RMB285.8 million), representing a year-on-year decrease of 2.8%. Net profit margin for the Year was 7.1%, representing a decrease of 0.3 percentage point as compared to that of 7.4% for the Previous Year.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

During the Year, profit attributable to owners of the Company was RMB273.7 million (Previous Year: RMB352.9 million), representing a year-on-year decrease of 22.5%.

BASIC EARNINGS PER SHARE

In the Year, basic earnings per share attributable to the owners of the Company (based on the weighted average number of ordinary shares in issue) amounted to RMB0.18 (Previous Year: RMB0.23).

FINAL DIVIDEND

The Board proposed the payment of a final dividend of HKD0.037 per share (equal to RMB0.030 per share) for the Year (2024: HKD0.083 per share which was equivalent to RMB0.078 per share). Together with the interim dividend of HKD0.088 per share which was equivalent to approximately RMB0.080 per share, total dividends for the year ended 31 December 2025 amounted to HKD0.125 per share which was equivalent to approximately RMB0.110 per share. The record date for the entitlement of the shareholders of the Company (the "Shareholders") to the final dividend will be on Tuesday, 16 June 2026, and the payment date for the final dividend will be on or about Wednesday, 8 July 2026, subject to the approval of Shareholders at the forthcoming annual general meeting of the Company. Dividends payable to Shareholders will be paid in Hong Kong dollars. The exchange rate adopted by the Company for its dividend payable is the average middle exchange rate of HKD against RMB announced by the People's Bank of China in the five business days preceding the date of dividend declaration.

EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As of 31 December 2025, the Group had equity investments designated at fair value through other comprehensive income of RMB32.6 million (31 December 2024: RMB32.8 million), which comprised the Group's investments in:

- (i) 5% equity interests of Guangzhou Construction & Development Property Holdings Mingte Network Development Co., Ltd. (廣州市城建開發集團名特網絡發展有限公司), which is principally engaged in development and installation of intelligence management systems and information management systems and services;
- (ii) 10% equity interests of Guangzhou Yuetou Commercial Factoring Co., Ltd. (廣州越投商業保理有限公司), which is principally engaged in provision of commercial factoring and other related financial services in the PRC; and
- (iii) 10% equity interests of Guangzhou Yuebang Enterprise Management Co., Ltd. (廣州越邦企業管理有限公司), which is principally engaged in provision of human resources services, labour dispatch services and other related services.

MANAGEMENT DISCUSSION AND ANALYSIS

TRADE RECEIVABLES

The Group's trade receivables increased to RMB849.3 million as of 31 December 2025 from RMB773.4 million as of 31 December 2024, representing an increase of 9.8%, which was mainly attributable to the continuous expansion of the Group's business scale.

OTHER RECEIVABLES

The Group's other receivables mainly comprise property management costs recoverable, payments on behalf of residents and tenants and guarantee deposits paid in relation to the provision of property management services. The Group's other receivables increased to RMB505.3 million as of 31 December 2025 from RMB498.5 million as of 31 December 2024, representing an increase of 1.4% and remaining generally stable.

TRADE AND BILLS PAYABLES

The Group's trade and bills payables increased to RMB1,079.2 million as of 31 December 2025 from RMB651.5 million as of 31 December 2024, representing an increase of 65.6%, mainly due to the continuous business expansion of the Group and the adjustments to its payment schedules.

OTHER PAYABLES AND ACCRUALS

The Group's other payables primarily consist of advances received from property owners and tenants for settlement of costs to be incurred in relation to property management services provided under a commission basis, and performance guarantee deposits received from other service providers and renovation and utility security deposits received from property owners and tenants, accrued payroll liabilities and other tax payables. The Group's other payables as of 31 December 2024 and 31 December 2025 remained generally stable at RMB1,380.5 million and RMB1,393.9 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

The Group finances its working capital mainly by its cash and cash equivalents, cashflows from its operating activities and a portion of the proceeds from the Global Offering (as defined below). The Group has adopted comprehensive treasury policies and internal control measures to review and monitor its financial resources and has consistently maintained stable financial condition and sufficient liquidity.

As of 31 December 2025, the Group's cash and cash equivalents and time deposits amounted to RMB4,906.3 million (31 December 2024: RMB4,701.9 million).

MANAGEMENT DISCUSSION AND ANALYSIS

As of 31 December 2025, the Group had no bank borrowings (31 December 2024: Nil) or loans from related parties (31 December 2024: Nil) or non-trade amounts due to related parties (31 December 2024: Nil).

The gearing ratio is calculated based on total bank borrowings divided by total equity, multiplied by 100%. Since the Group had no bank borrowings as of 31 December 2024 and 31 December 2025, the gearing ratios as of both aforesaid dates were nil.

PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of global offering (the "Global Offering") on 28 June 2021 (the "Listing Date"). Pursuant to the Global Offering, 369,660,000 shares were issued on the Listing Date and 43,410,500 additional shares were issued on 26 July 2021 according to the partial exercise of the over-allotment option (the "Over-allotment Option") as described in the prospectus of the Company dated 16 June 2021.

After deducting the underwriting fees and commissions, incentive fee and other relevant expenses, the net proceeds from the Global Offering and the partial exercise of the Over-allotment Option amounted to HKD1,961.3 million (equivalent to RMB1,632.0 million). At the end of 2023, after careful consideration and detailed evaluation by the Company of the operations and business strategy, the Company had announced the change in intended use of the unutilised proceeds as at the end of 2023. As of 31 December 2025, details of the use of the proceeds subsequent to the change in use are as follows:

Category	Intended use of unutilised proceeds up to 31 December 2024 <i>RMB'000</i>	Percentage of total proceeds %	Actual use of proceeds up to 31 December 2025 <i>RMB'000</i>	Unutilised proceeds up to 31 December 2025 <i>RMB'000</i>	Expected timeline for the intended use
	Strategic acquisitions and investments	500,353	48	5,027 (<i>Note 1</i>)	495,326
Further development of the Group's value-added services	115,862	11	105,168 (<i>Note 2</i>)	10,694	By end of 2026
Developing information technology systems and smart communities	131,127	13	109,601 (<i>Note 3</i>)	21,526	By end of 2026
Promoting sustainability development	102,659	10	35,306 (<i>Note 4</i>)	67,353	By end of 2026
Replenishing working capital and for general corporate purposes	195,415	19	77,912	117,503	By end of 2026
Total	1,045,416	100	333,014	712,402	

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) *The Group had been actively identifying suitable acquisition opportunities during the Year and had used part of the funds to pursue and conduct feasibility studies and due diligence on potential acquisition targets.*
- (2) *Further development of the Group's value-added services, mainly through continuously optimising the business strategy for value-added services in areas including technological services (developing innovative businesses and continuously expanding its service offerings), community commercial services (such as customised community activities, self-operated clubs and coffee shops), home decoration showrooms and move-in furnishing services, and property agency service centres. Relevant resource investments had effectively empowered business expansion, thereby driving the growth of revenue from intelligent and lifestyle services during the Year.*
- (3) *Development of information technology systems and smart communities mainly included upgrading facilities for smart communities (such as developing intelligent parking solutions), enhancing the IoT network of properties under the management of the Group, and investment in purchase of robot services for provision of property management services; and investing in internal management systems to improve the Group's management efficiency. The aforementioned investments are currently in the stage of planning and construction, with limited contribution to profits during the Year.*
- (4) *Promotion of sustainability development mainly included investment in energy-efficient equipment and facilities for provision of property management services; and optimising facilities in old communities to reduce energy consumption.*

The unutilised proceeds will be utilised in accordance with the above purposes and are currently held as bank deposits denominated in RMB.

PLEDGE OF ASSETS

As of 31 December 2025, no assets of the Group were pledged as securities for liabilities.

MAJOR ACQUISITION AND DISPOSALS

During the Year, the Company did not have any major acquisition or disposal of subsidiaries and associates.

MAJOR INVESTMENTS

As of 31 December 2025, the Group did not hold any significant investment.

CONTINGENT LIABILITIES

As of 31 December 2025, the Group did not have any material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENT AND CAPITAL EXPENDITURE

As of 31 December 2025, the Group did not have any capital commitment.

The Group's capital expenditure for the year 2026 is expected to be financed by proceeds from the Global Offering and working capital generated from the operating activities of the Group.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2025, the Group had a total of 9,601 full-time employees in the PRC and Hong Kong, PRC. Total employee benefit expenses for the Year amounted to RMB913.9 million.

The Group regularly reviews remuneration and benefits of its employees according to the market practice and the relevant employee's performance. The Group also (in accordance with applicable laws) provides various insurance coverage (including pension insurance, medical insurance, unemployment insurance, maternity insurance and occupational injury insurance), housing provident funds (in the PRC) and mandatory provident funds (in Hong Kong, the PRC) for its employees.

The Group has also implemented various talent development and acquisition policies, in order to recruit and retain high-quality employees with the necessary expertise and experience. For example, the "Yuexiu Property Management Training & Development Academy" provides employees with various comprehensive training sessions and courses, including management skill enhancement, qualification test tutoring and professional skill training.



1810

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1727

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CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of maintaining a robust system of corporate governance and is committed to continuously improving its corporate governance and disclosure practices. During the Year, the Company has complied with all code provisions as set out in Part 2 of Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix C3 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquiries with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code during the Year.

BOARD OF DIRECTORS

The Board, which was chaired by Mr. Zhu Huisong (resigned on 22 May 2025), and subsequently Mr. Jiang Guoxiong (appointed on 22 May 2025) during the Year, consisted of three executive Directors, two non-executive Directors and three independent non-executive Directors. The composition of the Board ensures a balance of skills and experience appropriate for the requirements of the business of the Group and the exercising of independent opinion.

Unless otherwise stated below, the Directors in office during the Year and up to the date of this report (26 March 2026) were as follows:

NON-EXECUTIVE DIRECTORS

Mr. Zhu Huisong (Chairman of the Board) (resigned on 22 May 2025)
Mr. Jiang Guoxiong (Chairman of the Board) (appointed on 22 May 2025)
Mr. Zhang Jianguo (resigned on 8 September 2025)
Mr. Yang Zhaoxuan

EXECUTIVE DIRECTORS

Mr. Wang Jianhui
Mr. Zhang Chenghao
Mr. Zhang Jin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hung Shing Ming
Ms. Hui Lai Kwan
Mr. Leung Yiu Man

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS DURING THE YEAR AND UP TO THE DATE OF THIS REPORT

Mr. Zhu Huisong resigned as a non-executive Director and the Chairman of the Board on 22 May 2025 and on the same date, Mr. Jiang Guoxiong was appointed as a non-executive Director and the Chairman of the Board.

Mr. Zhang Jianguo resigned as a non-executive Director on 8 September 2025.

Mr. Jiang Guoxiong, who was appointed to the Board on 22 May 2025, had obtained legal advice from an external law firm as regards the requirements under the Listing Rules that are applicable to him as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange, as required under Rule 3.09D of the Listing Rules on 21 May 2025. He has confirmed his understanding of the obligations as a Director of the Company.

Regarding the details of service contracts of the executive Directors, Mr. Zhang Jin entered into a service contract with the Company for an initial term of three years commencing from the Listing Date and renewable automatically for successive terms of one year each; and Mr. Wang Jianhui and Mr. Zhang Chenghao each entered into a service contract with the Company for an initial term of three years commencing from 11 September 2024 and 28 August 2023, respectively.

Regarding the details of letters of appointment of the non-executive Directors, Mr. Yang Zhaoxuan entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date and the appointment shall continue upon the expiry of the initial term until terminated by either party serving to the other not less than three months' prior notice in writing; and Mr. Jiang Guoxiong entered into a letter of appointment with the Company for an initial term of three years commencing from 22 May 2025.

In compliance with Rules 3.10 and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors (representing one-third of the Board), one of whom possesses the appropriate professional qualifications in accounting and financial management. Each of the independent non-executive Directors has (i) confirmed his/her independence of the Company and the Company considers each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules; and (ii) entered into a letter of appointment with the Company for a fixed term of one year and renewable automatically, subject to certain circumstances as stipulated in the said letter of appointment and the provisions of the articles of association of the Company (the "**Articles of Association**") with regard to removal and retirement by rotation of Directors.

Pursuant to article 110 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company (the "**AGM**") and shall then be eligible for re-election at that meeting, provided that any Director who so retires shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

CORPORATE GOVERNANCE REPORT

Pursuant to article 111(a) of the Articles of Association, at each AGM, one-third of the Directors for the time being (excluding the Directors eligible for re-election at that meeting pursuant to article 110 of the Articles of Association), or, if their number is not three or a multiple of three, then the number nearest to but greater than one-third, shall retire from office by rotation; subject to the provisions of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (“**Companies Ordinance**”), the Listing Rules and the Articles of Association, the Directors to retire in every year shall be those who have been longest in office since their last election, and as between persons who became Directors on the same day, the Directors to retire shall (unless they otherwise agree between themselves) be determined by lot; and every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years.

Therefore, in accordance with the Articles of Association, Mr. Zhang Jin (an executive Director), Mr. Yang Zhaoxuan (a non-executive Director) and Mr. Leung Yiu Man (an independent non-executive Director) will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

All Directors have given sufficient time and attention to the affairs of the Group and in particular, the independent non-executive Directors have provided the Board with their diversified expertise and professional advice. The Board is of the view that there is a balanced composition of executive, non-executive and independent non-executive Directors in the Board and the independent non-executive Directors are able to provide sufficient checks and balances to safeguard the interests of the Group and the Shareholders. The participation of the independent non-executive Directors in the Board and committee meetings also provides independent judgment on the issues relating to strategy, policy, performance, accountability, conflict of interest and standards of conduct.

The Board members have access to timely information relating to the Group’s business and will be provided with further documents and information upon request to enable them to make informed decisions. Independent professional advice can be sought to discharge their duties at the Group’s expense upon their request. The Company has subscribed appropriate and sufficient insurance coverage on Directors’ liabilities in respect of legal actions taken against Directors arising out of corporate activities.

To the best knowledge of the Board, there is no financial, business, family or other material/relevant relationship(s) between the members of the Board.

CORPORATE GOVERNANCE REPORT

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and financial performance. The Board is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management. To oversee particular aspects of the Company's affairs, the Board has established five Board committees, including the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**"), the nomination committee (the "**Nomination Committee**"), the investment committee (the "**Investment Committee**") and sustainability committee (formerly know as the environmental, social and governance committee) (the "**Sustainability Committee**") (collectively, the "**Board Committees**"). The Board has delegated various responsibilities to the relevant Board Committees. All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

BOARD INDEPENDENCE

The Company recognises that Board independence is essential in good corporate governance and the effectiveness of the Board. The Board has established mechanisms to ensure that independent views and input are available from the Board in order to enhance an objective and effective decision making.

The following mechanisms are reviewed annually by the Board, through the Nomination Committee, to ensure their effectiveness:

1. Three out of the eight Directors are independent non-executive Directors, which complies with the requirements of the Listing Rules that the Board must have at least three independent non-executive Directors and the number of independent non-executive Directors represents at least one-third of the Board.
2. The Nomination Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new independent non-executive Director before appointment and also the continued independence of existing independent non-executive Directors annually.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND GENERAL MEETINGS

The Board holds meetings regularly and meets at other times as and when required to review financial, internal and compliance controls, risk management, company strategy and operating performance of the Group. In addition, the Board holds general meetings to maintain communication with the Shareholders.

During the Year, four Board meetings, two Audit Committee meetings, one Remuneration Committee meeting, one Nomination Committee meeting, two Sustainability Committee meetings as well as two general meetings were held. The attendance of the individual Directors at the relevant meetings is set out in the table below:

Directors	Attendance/Number of Meetings					
	Board	Audit	Remuneration	Nomination	Sustainability	General
	meeting	Committee	Committee	Committee	Committee	
Mr. Zhu Huisong (<i>Note 1</i>)	1/1	N/A	1/1	1/1	1/1	N/A
Mr. Jiang Guoxiong (<i>Note 1</i>)	3/3	N/A	N/A	N/A	1/1	2/2
Mr. Wang Jianhui	4/4	N/A	N/A	1/1	2/2	2/2
Mr. Zhang Chenghao	4/4	N/A	N/A	N/A	N/A	2/2
Mr. Zhang Jin	4/4	N/A	N/A	N/A	N/A	2/2
Mr. Zhang Jianguo (<i>Note 2</i>)	3/3	N/A	N/A	N/A	N/A	1/1
Mr. Yang Zhaoxuan	4/4	N/A	N/A	N/A	N/A	2/2
Mr. Hung Shing Ming	4/4	2/2	1/1	1/1	2/2	2/2
Ms. Hui Lai Kwan	4/4	2/2	1/1	1/1	2/2	2/2
Mr. Leung Yiu Man	4/4	2/2	1/1	1/1	2/2	2/2

Notes:

1. Mr. Zhu Huisong resigned as a non-executive Director on 22 May 2025 and on the same date, Mr. Jiang Guoxiong was appointed as a non-executive Director.
2. Mr. Zhang Jianguo resigned as a non-executive Director on 8 September 2025.

For Board meetings and Board Committee meetings, reasonable notices are generally given to the relevant Directors. The agenda and accompanying Board papers are provided to the relevant Directors at least three days before the Board meetings or Board Committee meetings to ensure that the Directors have sufficient time to review the papers and are adequately prepared for the Board meetings or Board Committee meetings. Management has supplied the Board and its committees with adequate information and explanations so as to enable them to make an informed assessment of the financial and other information put before the Board and its committees for approval. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the relevant meeting prior to the meeting.

CORPORATE GOVERNANCE REPORT

Minutes of the Board meetings and Board Committee meetings shall be kept by the company secretary. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting has been held. The minutes of the Board meetings are open for inspection by all Directors. Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors.

Should a Director have a potential conflict of interest in a matter being considered in the Board meeting, the Articles of Association also contain provisions requiring Directors to (subject to certain exceptions) abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their close associates are to their knowledge materially interested. Independent non-executive Directors with no conflict of interest will be present at meetings to deal with such issues.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the Year, the position of the chairman of the Board was held by Mr. Zhu Huisong (resigned on 22 May 2025), and subsequently Mr. Jiang Guoxiong (appointed on 22 May 2025) while the position of the Chief Executive Officer was held by Mr. Wang Jianhui.

The chairman of the Board provides leadership for the Board and is primarily responsible for ensuring the Board works effectively and performs its responsibilities in accordance with good corporate governance practices and procedures. The chairman of the Board is also primarily responsible for drawing up and approving the agenda for each Board meeting. With the support of the senior management, the chairman is also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

The Chief Executive Officer is responsible for overseeing the overall management, formulation and implementation of business strategies (including acquisition plans) of the Group.

DIRECTORS' TRAINING

The Corporate Governance Code requires all Directors to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, all Directors and members of senior management are encouraged to participate in continuous professional development relating to the Listing Rules, Companies Ordinance and corporate governance practices to continuously update and further improve their relevant knowledge and skills. From time to time, the Directors are provided with written training materials to develop and refresh their professional knowledge and skills.

In addition, every newly appointed Director will receive a comprehensive, formal and tailored induction upon appointment, where he or she will receive briefing and professional development necessary to ensure that he or she has a proper understanding of the operations and business of the Company, and that he or she is fully aware of his or her responsibilities under relevant laws, the Listing Rules, other legal and regulatory requirements as well as the business and governance policies of the Company.

CORPORATE GOVERNANCE REPORT

According to the records maintained by the Company, the Directors received trainings in the following areas:

	Continuous Professional Development	
	Read materials	Attended seminars/trainings/briefings
Non-executive Directors		
Mr. Zhu Huisong (Chairman of the Board) (resigned on 22 May 2025)	✓	✓
Mr. Jiang Guoxiong (Chairman of the Board) (appointed on 22 May 2025)	✓	✓
Mr. Zhang Jianguo (resigned on 8 September 2025)	✓	✓
Mr. Yang Zhaoxuan	✓	✓
Executive Directors		
Mr. Wang Jianhui	✓	✓
Mr. Zhang Chenghao	✓	✓
Mr. Zhang Jin	✓	✓
Independent non-executive Directors		
Mr. Hung Shing Ming	✓	✓
Ms. Hui Lai Kwan	✓	✓
Mr. Leung Yiu Man	✓	✓

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility to prepare and present a balanced, clear and understandable assessment of the Group's performance, position and prospects in the consolidated financial statements of the annual and interim reports in accordance with statutory requirements, and applicable accounting standards. Pursuant to the Corporate Governance Code, management should provide such explanation and information to the Board that will enable the Board to make an informed assessment of the financial and other information put before the Board for approval. The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern.

CORPORATE GOVERNANCE REPORT

In preparing the financial statements for the Year, the Directors had selected appropriate accounting policies and applied them consistently, and had made judgments and estimates that were prudent and reasonable.

The Group had announced its annual and interim results in a timely manner within the limits of three months and two months respectively after the end of the relevant financial periods, as laid down in the Listing Rules.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 98 to 104.

For the Year, the external independent auditor's remuneration to the Group's auditor in respect of audit and non-audit services provided to the Group amounted to approximately RMB1.62 million and RMB0.66 million. The non-audit service fees paid/payable to the external independent auditor were for advice on interim review and other reporting services.

RISK MANAGEMENT AND INTERNAL CONTROL

Further details of the Group's risk management measures and internal control system are set out in the "Risk Management Report" on pages 92 to 97.

INSIDE INFORMATION

The Group is aware of its obligations under the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong) ("SFO") and the Listing Rules. With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company has formulated guidelines on management and disclosure of inside information, and has raised the attention of the Directors, senior management and relevant employees who may have access to sensitive information to the same which are required to comply with the relevant procedures, monitor information disclosure and respond appropriately to enquiries. The Company also provided inside information explanation and reminders from time to time to the Directors and senior management of the Company to ensure that all relevant facts and circumstances that may have a material effect on the share price of the Company are assessed in a timely manner and that any material information which comes to the knowledge of any one or more officers of the Group be promptly identified, assessed and, if appropriate, escalated for the attention of the Board to determine whether a disclosure is required.

DIVIDEND POLICY

The Company may distribute dividends in the form of cash or by other means that it considers appropriate. Any proposed distribution of dividends shall be formulated by the Board and will be subject to the Shareholders' approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including the Group's operation and earnings, capital requirements and surplus, financial condition, working capital requirements and other factors the Board may deem relevant. The Company intends to declare and distribute dividends on an annual basis of no less than 30% of its distributable net profit attributable to the Shareholders. However, the Company cannot assure Shareholders that the Company will declare or pay such or any amount of dividends for each or any year. Any declaration and payment as well as the amount of dividends will be subject to the constitutional documents of the Company and the relevant laws. Any future declarations of dividend may or may not reflect the historical declaration of dividends of the Company and will be at the discretion of the Board.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS

During the Year, the Board, assisted by five committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Investment Committee and the Sustainability Committee, continued to assess business development needs of the Group and oversee the relevant aspects of the Group's affairs. The Board Committees were provided with sufficient resources to discharge their duties.

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

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

AUDIT COMMITTEE

The Audit Committee was established with terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. During the Year and up to the date of this report, the Audit Committee consisted of three members, namely Ms. Hui Lai Kwan, Mr. Hung Shing Ming and Mr. Leung Yiu Man. Ms. Hui Lai Kwan was the chairlady of the Audit Committee.

None of the members of the Audit Committee had acted as a member of the former or existing auditors of the Company. The Board is of the view that the members of the Audit Committee have sufficient accounting and financial management expertise and experience to discharge their duties. In addition, the Audit Committee has access to external legal or other independent professional advice if it considers necessary.

The Audit Committee has written terms of reference in accordance with the Corporate Governance Code. The responsibilities of the Audit Committee include but are not limited to:

- reviewing the financial information of the Company and its disclosure;
- supervising the financing reporting system and risk management and internal control system of the Company;
- improving the communication between the internal auditor and the external auditor;
- proposing the appointment, re-appointment or removal of an external auditor; and
- reviewing and supervising the independence and objectivity of the external auditor and the effectiveness of the auditing procedure in accordance with applicable standards.

CORPORATE GOVERNANCE REPORT

During the Year, the Audit Committee held two meetings and conducted the following responsibilities:

- 1) reviewed the Group's annual results for the year ended 31 December 2024;
- 2) reviewed the Group's interim results for the six months ended 30 June 2025;
- 3) reviewed the audit findings of the external auditor;
- 4) reviewed the independence and objectivity of the new external auditor; and
- 5) made recommendations to the Board on the appointment and remuneration of the new external auditor.

The Audit Committee had also reviewed the risk management and internal control systems of the Group as well as considered and identified risks of the Group subsequent to 31 December 2025 and will continuously monitor the systems on a regular basis.

The Audit Committee also met with the external auditor in the absence of management to discuss matters relating to any issues arising from the audit and any other matters the external auditor might wish to raise.

The Company's annual results announcement dated 26 March 2026 for the Year was reviewed by the Audit Committee.

NOMINATION COMMITTEE

The Nomination Committee was established with written terms of reference in compliance with the Corporate Governance Code. During the Year and up to the date of this report, the Nomination Committee consisted of five members, namely Mr. Zhu Huisong (resigned on 22 May 2025), Mr. Jiang Guoxiong (appointed on 22 May 2025), Mr. Wang Jianhui, Ms. Hui Lai Kwan, Mr. Hung Shing Ming and Mr. Leung Yiu Man. Mr. Zhu Huisong (resigned on 22 May 2025), Mr. Jiang Guoxiong (appointed on 22 May 2025) was the chairman of the Nomination Committee.

Among other things, the primary duties of the Nomination Committee are to (i) make recommendations to the Board regarding the candidates to fill vacancies on the Board and to review the structure, size and composition of the Board and the board diversity policy adopted by the Company (the "**Board Diversity Policy**") on a regular basis; and (ii) assess the independence of independent non-executive Directors.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy. The Board Diversity Policy sets out the approach to achieve diversity on the Board in order to enhance the quality of its performance, which provides that the Company should endeavour to ensure that the Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. In order to ensure that the Board possesses experiences and skills relevant to its strategy and the ability and mindset to adapt to the constantly evolving geopolitical and economic environment, the Nomination Committee formulates the following measurable objectives: gender, age, length of service, professional experience, skills and knowledge, reviews the diversity of the Board and makes proposals to the Board if necessary.

During the Year, members of the Nomination Committee (i) reviewed the structure, size and composition (including, but not limited to, the skills, knowledge and experience) of the Board; (ii) reviewed the independence of the independent non-executive Directors; (iii) evaluated the Directors' time commitment and contribution for performing their duties; and (iv) made recommendations to the Board in respect of the appointment of Mr. Jiang Guoxiong as a non-executive Director.

For the Year, the Company maintained an effective Board comprising members of different genders, professional backgrounds and industry experience. As of the date of this report, the Board comprises Directors from (i) different age groups (i.e. (a) 40-49 - three Directors; and (b) 50-59 - five Directors); (ii) different industries (such as real estate development, property management, corporate management, accounting and finance, investment and commercial banking); and (iii) different place of residence, including Chinese mainland and Hong Kong. Based on the foregoing, the composition and diversity of the Board enable the Group to benefit from diverse and objective external perspectives, on issues raised before the Board. For details of the biographies of the Directors, please refer to the section headed "Profiles of Directors and Senior Management" in this report.

The Company values gender diversity. As of the date of this report, the Board has seven male Directors and one female Director. The Nomination Committee and the Board will take opportunities to increase the proportion of female Directors on the Board over time when selecting and making recommendations on suitable candidates as Directors. Following a review of the Board's composition, expertise and experience, as well as its diversity, the Nomination Committee and the Board are of the view that the current Board composition is sufficiently diverse in terms of gender, skills and experience and therefore, are satisfied with the implementation and effectiveness of the Board Diversity Policy.

The Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally open to all eligible employees without discrimination. Currently, the male to female ratio in the workforce of the Group including senior management is approximately 5,544: 4,057. The Board considers that the gender diversity in the workforce is currently achieved.

During the Year, the Nomination Committee held one meeting.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

The Remuneration Committee was established with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. During the Year and up to this report, the Remuneration Committee consisted of four members, namely, Mr. Zhu Huisong (resigned on 22 May 2025), Mr. Jiang Guoxiong (appointed on 22 May 2025), Ms. Hui Lai Kwan, Mr. Hung Shing Ming and Mr. Leung Yiu Man. Mr. Hung Shing Ming was the chairman of the Remuneration Committee.

Among other things, the primary duties of the Remuneration Committee are to (i) review, determine and make recommendations to the Board on the policy and structure for the remuneration payable to the Directors and senior management and making recommendations on employee benefit arrangements; (ii) review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; (iii) ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration; (iv) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and (v) consider other matters that are related to remuneration paid or payable by the Group, as defined or assigned by the Board from time to time.

During the Year, members of the Remuneration Committee (i) reviewed the remuneration packages of the Directors and the senior management; and (ii) made recommendations to the Board in relation to the remuneration package of Mr. Jiang Guoxiong,

During the Year, the Remuneration Committee held one meeting.

The amount of the executive Directors' remuneration is determined by the Remuneration Committee on the basis of the relevant executive Directors' experience, responsibility, workload and the time to be devoted to the Group. The entire Directors' remuneration is adjusted by the Remuneration Committee from time to time.

INVESTMENT COMMITTEE

The Investment Committee was established for the purposes of, among other things, assessing the performance of past investment projects of the Group, studying potential investment projects for the future development of the Group, and making recommendations to the Board accordingly.

During the Year and up to the date of this report, the Investment Committee consisted of three executive Directors, two non-executive Directors and one independent non-executive Director, namely, Mr. Zhu Huisong (resigned on 22 May 2025), Mr. Jiang Guoxiong (appointed on 22 May 2025), Mr. Wang Jianhui, Mr. Zhang Chenghao, Mr. Zhang Jin, Mr. Yang Zhaoxuan and Mr. Hung Shing Ming. Mr. Zhu Huisong (resigned on 22 May 2025), Mr. Jiang Guoxiong (appointed on 22 May 2025) was the chairman of the Investment Committee.

During the Year, the Investment Committee did not hold any meetings as the Group was in the process of identifying suitable investment projects.

CORPORATE GOVERNANCE REPORT

SUSTAINABILITY COMMITTEE

The Sustainability Committee was established on 3 March 2022. During the Year and up to the date of this report, the Sustainability Committee consisted of one executive Director, one non-executive Director and three independent non-executive Directors, namely, Mr. Zhu Huisong (resigned on 22 May 2025), Mr. Jiang Guoxiong (appointed on 22 May 2025), Mr. Wang Jianhui, Mr. Hung Shing Ming, Ms. Hui Lai Kwan, and Mr. Leung Yiu Man, Mr. Zhu Huisong (resigned on 22 May 2025), Mr. Jiang Guoxiong (appointed on 22 May 2025) was the chairman of the Sustainability Committee.

The main duties of the Sustainability Committee include the following:

- (a) to review, formulate and approve the Group's vision, goals, strategies and management policies regarding Sustainability issues, and make recommendations to the Board on the relevant Sustainability matters;
- (b) to review and evaluate the adequacy and effectiveness of the management framework for Sustainability matters at the Group level;
- (c) to review and monitor the Group's policies on Sustainability to ensure compliance with legal and regulatory requirements; and
- (d) to review and report to the Board on major international trends in legislation, regulation of corporate Sustainability, identify and assess the Sustainability related risks and opportunities that have an impact on the Group's operation.

The Sustainability Committee shall report to the Board on their decisions or recommendations not less than once a year.

During the Year, the Sustainability Committee held two meetings and discussed, reviewed and approved the 2024 environmental, social and governance report of the Company for the Board's consideration and other relevant matters, including the Group's sustainability goals and performance.

COMPANY SECRETARY

Mr. Yu Tat Fung (余達峯) was appointed as the company secretary of the Company on 8 February 2021. He is responsible for company secretarial matters of the Group.

Mr. Yu has been the company secretary of Yuexiu Property and Yuexiu Transport Infrastructure Limited (listed on the Stock Exchange with stock code: 1052) since October 2004. He has been the company secretary and compliance manager of Yuexiu REIT Asset Management Limited, the manager of Yuexiu Real Estate Investment Trust (listed on the Stock Exchange with stock code: 405), since October 2005 and March 2010, respectively. Mr. Yu has also been the company secretary and group general counsel of Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司) ("YXE"), a controlling Shareholder, since January 2014 and February 2017, respectively. Throughout the said positions, Mr. Yu has been responsible for advising respective board of directors on, among others, corporate governance and compliance matters.

Mr. Yu obtained a bachelor's degree in social sciences from The University of Hong Kong in November 1981. He attained the Solicitors' Final Examination in England in November 1983. Mr. Yu was admitted as a solicitor of the Supreme Court of Hong Kong in April 1986. He was also admitted to the Bar of the Province of British Columbia in Canada in February 1995.

Mr. Yu confirmed that he had taken no less than 15 hours of relevant professional training during the Year.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held each year at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a general meeting.

PROCEDURES FOR SHAREHOLDERS TO CONVENE A GENERAL MEETING AND PUT FORWARD PROPOSALS THEREAT

Pursuant to section 566 of the Companies Ordinance, the Shareholders may request the Board to convene a general meeting of the Company. The Directors are required to call a general meeting if the Company has received requests to do so from Shareholders representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings. The request must state the general nature of the business to be handled at the meeting, and may contain the text of a resolution that may be properly proposed and intended to be proposed at the meeting. The request can be sent to the Company in hard copy or electronic form and must be authenticated by the person(s) making it.

Pursuant to section 567 of the Companies Ordinance, the Board shall convene a general meeting within 21 days after the date on which it becomes subject to this requirement. The meeting must be held within 28 days after the date of the notice convening the general meeting. If the Board fails to convene a meeting in accordance with the requirements, the Shareholders who request the convening of the general meeting or members who account for over half of the total voting rights of all Shareholders may convene a general meeting on their own. The general meeting shall be held within three months after the date on which the Directors become subject to the requirement to convene a meeting.

Pursuant to section 568 of the Companies Ordinance, if the Shareholders who request the convening of the general meeting have any reasonable expenses incurred by reason of the failure of the Board to properly convene the general meeting, such expenses are repayable by the Company.

PROPOSE RESOLUTIONS AT THE ANNUAL GENERAL MEETING OF THE COMPANY

Pursuant to section 615 of the Companies Ordinance, (a) at least 2.5% of the total voting rights of all Shareholders entitled to vote on the resolution at the annual general meeting of the Company to which the requests relate; or (b) at least 50 Shareholders entitled to vote on the resolution at the annual general meeting of the Company to which the requests relate may make written requests for the purpose of circulating the resolutions of the annual general meeting of the Company. The written request must: (a) be sent to the Company in hard copy or electronic form; (b) indicate the resolution to which the pending notice relates; (c) be authenticated by the person(s) making the request; and (d) be delivered to the Company no later than six weeks before the annual general meeting of the Company to which the request relates; or, should it be delivered to the Company after the above time, the time at which the notice of the annual general meeting of the Company is issued. For further details, please refer to sections 580 and 615 of the Companies Ordinance.

CORPORATE GOVERNANCE REPORT

PROCEDURES FOR RAISING ENQUIRIES

To ensure effective communication between the Board and the Shareholders:

- 1) Shareholders may direct their questions about their shareholdings to the Company's share registrar in Hong Kong.
- 2) Shareholders may at any time send their enquiries and concerns to the Board in writing to the Financial Management Centre of the Company whose contact details are as follows:

Financial Management Centre
Yuexiu Services Group Limited
26/F, Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

- 3) Shareholders may also make enquiries with the Board at the general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

The Articles of Association are available on both the websites of the Company and the Stock Exchange. There had been no amendment made to the constitutional documents of the Company for the Year.

CORPORATE COMMUNICATION AND INVESTOR RELATIONS

The Group attaches great importance to maintaining a smooth and effective communication mechanism with the capital market, and has set up an investor relations management team to act as an important communication bridge between the Group and its Shareholders, investors and analysts.

In 2025, the management and the investor relations management team organised a number of investor relations activities through various online and offline channels to maintain thorough and effective communication with investors both home and abroad, including, among others, results presentation, roadshow, daily one-on-one meetings, and group meetings. Additionally, the Group actively participated in various industry seminars and strategy conferences, providing convenient and effective communication channels for investors to comprehensively understand the Group's operations and development strategies, thereby establishing a good corporate image.

In addition, the Group has also set up investor relations emails, hotlines and other channels to maintain efficient and effective communication with investors. To ensure that the Shareholders are effectively informed of the Group's status and developments, the Group publishes announcements, circulars, notices, interim and annual reports in a timely manner. Meanwhile, to enhance transparency, the Group publishes relevant information on its corporate website, making it accessible to the Shareholders, investors, analysts, and other stakeholders.

CORPORATE GOVERNANCE REPORT

The Group's annual general meetings attended by the Directors, and external independent auditor serve as a key channel for communication with the Shareholders. The annual general meetings allow the Directors to meet and communicate with the Shareholders and to answer their enquiries, the external auditor of the Company to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. To ensure the smooth and effective conduct of the annual general meetings, the chairman of the Group will propose separate resolutions for each issue to be considered at the annual general meetings. Additionally, a notice of annual general meeting will be delivered to all Shareholders at least 21 days prior to the date of the meeting, setting out details of each proposed resolution and other information. Voting results are posted on the websites of the Company and of the Stock Exchange.

The Board has reviewed the communications with Shareholders during the Year and was satisfied with the implementation and effectiveness of the shareholders communication policy conducted.

The Group will continue to devote more efforts in investor relations, strengthen communication with investors and convey investors' feedback to the management of the Group at the same time, thereby improving the Group's corporate governance and eventually creating greater value for the Shareholders.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

The profiles of the Directors and members of the senior management as at the date of this report are set out below.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Mr. Jiang Guoxiong (江国雄), aged 53, was appointed as a non-executive Director of the Company and the Chairman of the Board with effect from May 2025, responsible for providing strategic advice and making recommendations on business plans, strategic developments and management decisions to the Board.

Mr. Jiang has served as a non-executive director and chairman of the board of directors of Yuexiu REIT Asset Management Limited, as manager of Yuexiu Real Estate Investment Trust (stock code: 00405) since May 2025, which is listed on the Stock Exchange. Since December 2024, he has been serving as an executive director and the co-general manager of Yuexiu Property, as well as a member of the sustainability committee of the board of directors of Yuexiu Property. Since April 2024, he has been serving as the chairman of the board of directors of the companies of the Yuexiu Property Group in the commercial division. Since February 2023, he has been serving as the chairman of the board of directors of the regional companies of the Yuexiu Property Group in Central and Western China. From April 2024 to April 2025, he served as the chairman of the board of directors of the regional companies of the Yuexiu Property Group in Eastern China. He has been a director and the co-general manager of Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司) ("GCCD"), a subsidiary of Yuexiu Property, since January 2022 and December 2024, respectively. Mr. Jiang served as the deputy general manager of Yuexiu Property and GCCD from July 2021 to December 2024, respectively. From November 2020 to November 2024, he successively served as the chairman of the board of directors and general manager of the regional companies of the Yuexiu Property Group in Central China, and Western and Southern China, as well as the general manager of the regional companies of the Yuexiu Property Group in Central and Western China. He served as the assistant to the general manager of Yuexiu Property from March 2019 to July 2021 and also served as the assistant to the general manager at GCCD from April 2019 to July 2021. From November 2015 to March 2023, he served successively as the general manager of the finance department, process information department, operations management centre, IT shared centre and digital intelligence development centre at GCCD. From July 1991 to November 2015, Mr. Jiang served successively as a finance department accountant, deputy department head, department head and chief financial officer at Guangzhou Paper Mill* (廣州造紙廠) (currently known as Guangzhou Paper Group Co., Ltd.* (廣州造紙集團有限公司)). Mr. Jiang also obtained an undergraduate degree in accounting from Jinan University in the People's Republic of China (the "PRC") in June 2008. Mr. Jiang obtained the qualification of intermediate accountant in the PRC in May 2000. Mr. Jiang has extensive experience in corporate investment decision-making, financial management, and operations management.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang Jianhui (王建輝), aged 50, was appointed as an executive Director and the Chief Executive Officer in September 2024, responsible for the overall management, formulation and implementation of business strategies (including acquisition plans) of the Group.

Prior to joining the Group, Mr. Wang joined KWG Living Group Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 03913), in June 2022 and his last position was chief executive officer before he left in August 2024. Prior to that, he served in Longfor Group Holdings Limited whose shares are listed on the Main Board of the Stock Exchange (stock code: 00960) and its related companies. He also served as the senior vice president of Beijing Qianding Internet Company Limited* (北京千丁互聯科技有限公司), the general manager of Longfor Property Service Group Co., Ltd.* (龍湖物業服務集團有限公司) and the general manager of Sunan Longfor Properties Development Co., Ltd.* (蘇南龍湖地產發展有限公司). Mr. Wang graduated from Chongqing Jianzhu University (重慶建築大學) in the PRC in 1998 with a bachelor's degree in construction engineering. He obtained his master's degree in management science and engineering from Chongqing University in the PRC in 2001. Mr. Wang obtained the title of senior engineer in engineering technology in 2007. Mr. Wang has solid and comprehensive experience in real estate development and operational management, as well as management and organizational reform and digital transformation at large-scale property management companies.

Mr. Zhang Chenghao (張成皓), aged 45, was appointed as an executive Director and the vice president (Standing) of the Company in August 2023. He is responsible for the overall management and property management business of the Group.

Since July 2023, Mr. Zhang has served as the general manager of Guangzhou Yuexiu Property Development Co., Ltd.* (廣州越秀物業發展有限公司), an indirect wholly-owned subsidiary of the Company. From April 2020 to July 2023, Mr. Zhang served as the general manager of the customer relations center at Yuexiu Property. From July 2003 to April 2020, Mr. Zhang worked with China Vanke Co., Ltd. (萬科企業股份有限公司) ("Vanke"), which is dual listed on the Main Board of the Stock Exchange (Stock Code: 02202) and the Shenzhen Stock Exchange (stock code: 000002), with his last position as the Guangzhou managing partner of the Guangzhou rental apartment office serving from July 2015 to April 2020. Mr. Zhang obtained a bachelor's degree in electrical engineering and automation from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2003. Mr. Zhang has over 20 years of experience in the real estate industry.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang Jin (張勁), aged 54, was appointed as a Director in January 2021 and was redesignated as an executive Director and appointed as a vice president of the Company in February 2021. He is responsible for the overall management and commercial operations of our Group.

Since April 2026, Mr. Zhang has served as the vice president of Commercial Division of Yuexiu Property. From November 2021 to April 2026, Mr. Zhang served as an assistant to the president of Commercial Division of Yuexiu Property. Mr. Zhang has served as the chairman of board of directors in Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd.* (廣州越秀怡城商業運營管理有限公司) (formerly known as Guangzhou Yicheng Property Management Co., Ltd.* (廣州怡城物業管理有限公司)) (“**Yuexiu Yicheng**”) and Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd.* (廣州越秀城建仲量聯行物業服務有限公司) (“**Guangzhou Yuexiu JLL**”) since March 2020 and June 2020, respectively, and has been responsible for providing opinion and judgement to the board of directors. Mr. Zhang served as the vice chairman of board of directors in Guangzhou Yuexiu JLL from October 2018 to June 2020 and was the general manager of Guangzhou Baima Business Operation Management Co., Ltd.* (廣州白馬商業經營管理有限公司) from January 2017 to October 2018. He served in Yuexiu Yicheng from November 1997 to January 2017, with his last position as the deputy general manager. Mr. Zhang completed the specialist course in marketing sales at Guangzhou Municipal Broadcasting Television University* (廣州市廣播電視大學) in the PRC in March 2005. Mr. Zhang obtained the qualification of a property management specialist granted by the Guangdong Provincial Office for Human Resources and Social Security* (廣東省人力資源和社會保障廳) in the PRC in February 2012. Mr. Zhang has over 20 years’ experience in property management and commercial operations.

Mr. Yang Zhaoxuan (楊昭煊), aged 48, was appointed as a non-executive Director in February 2021. He is responsible for providing guidance and formulating business strategies on the overall development of our Group.

Since April 2026, Mr. Yang has served as the deputy general manager of Guangdong Intercity Railway Operation Co., Ltd.* (廣東城際鐵路運營有限公司), which is a wholly-owned subsidiary of Guangzhou Metro Group Co., Ltd.* (廣州地鐵集團有限公司) (“**GZ Metro**”), and is responsible for business development planning, financing and financial management, risk and internal control management, contract and project approval management, and other related work. From April 2020 to April 2026, Mr. Yang has served as the deputy general manager of operation business department of GZ Metro, and taking charge of strategic planning, financial management, efficiency examination, resources operations and overall management. From May 2017 to April 2020, Mr. Yang served as the deputy general manager of financial planning department in Guangzhou Railways Investment Construction Group Co., Ltd.* (廣州鐵路投資建設集團有限公司). From August 2005 to May 2017, Mr. Yang has been successively served in GZ Metro in certain positions for budget planning, financial strategies, financial analysis and financing and capital management, with the last position as capital management manager. Mr. Yang obtained a master’s degree in business administration from the South China University of Technology* (華南理工大學) in the PRC in June 2013. Mr. Yang has been registered as a certified public accountant of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since November 2003. Mr. Yang has 20 years’ experience in accounting and finance industries.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Hui Lai Kwan (許麗君), aged 55, was appointed as an independent non-executive Director in February 2021. Ms. Hui is responsible for providing independent advice and judgement to the Board.

Since September 2025, Ms. Hui has been an independent non-executive director of Zijin Gold International Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 02259). From August 2022 to January 2024, Ms. Hui acted as a director of corporate governance & strategy in i-CABLE Network Operations Limited (a wholly-owned subsidiary of i-CABLE Communications Limited) and is responsible for the corporate governance and strategy development, ESG compliance, and process optimisation. From October 2021 to August 2022, Ms. Hui also acted as the transformation lead in i-CABLE Communications Limited, a company listed on the Stock Exchange (stock code: 01097), and was responsible for process re-engineering to improve management and operational efficiency. From September 2018 to August 2022, Ms. Hui acted as a consultant for Golden Advice Enterprises Limited, and was responsible for financial and operational review and provision of corporate governance and process improvements advice. From February 2018 to August 2018, Ms. Hui acted as the chief financial officer in Asana (Hong Kong) Limited, and was responsible for accounting and financial management and securing strategic investments. From May 2016 to February 2018, Ms. Hui was the head of finance in finance department in Aviva Life Insurance Company Limited, and was responsible for accounting and financial management, investment reporting and fund operations. From December 2014 to November 2015, Ms. Hui was a director in regional controllers department in Manulife Financial Asia Limited, and was responsible for provision of regional management information reporting and budgeting for Manulife Asia business units. From August 1992 to December 2010, Ms. Hui served in KPMG and her past position therein was the senior manager of capital markets group, and was responsible for provision of technical support services to audit team on listing matters and review of prospectuses. She also obtained a bachelor of social science degree in economics from The University of Hong Kong in Hong Kong in December 1992. Ms. Hui completed the postgraduate diploma in early childhood education and the certification course for kindergarten principals at the Hong Kong Baptist University and the School of Continuing Education of the Hong Kong Baptist University in November 2012 and June 2013, respectively. Ms. Hui has been registered as a teacher under Section 45(1) of the Education Ordinance (Chapter 279 of the laws of Hong Kong) and has been included in the Register of Child Care Workers and the Register of Supervisors under Regulation 4(2)(a) of the Child Care Services Regulations since December 2012. She has also been a member of the Hong Kong Institute of Certified Public Accountants since January 1996. Ms. Hui has solid professional experience in the accounting, finance and advisory areas.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Hung Shing Ming (洪誠明), aged 49, was appointed as an independent non-executive Director in February 2021. Mr. Hung is responsible for providing independent advice and judgement to the Board.

Since April 2025, Mr. Hung has been the Head of Institutional Banking Group of DBS Bank (China) Limited, and was approved as DCEO of DBS Bank (China) limited in November 2025. Between February 2023 and March 2025, Mr. Hung was the managing director and head of large corporate, institutional banking group at DBS Bank Ltd, Hong Kong Branch. From September 2018 to October 2022, Mr. Hung acted as the assistant chief executive officer and chief financial officer in Kidsland International Holdings Limited, a company listed on the Stock Exchange (stock code: 2122) (“**KIHL**”), and was responsible for the strategic planning, overall management and operations and corporate finance management; and from January 2019 to October 2022, he was an executive director in KIHL, and was responsible for strategic development and corporate finance management. From December 2014 to September 2018, Mr. Hung acted as the managing director and head of real estate and strategic coverage of institutional banking group in DBS Bank Ltd., Hong Kong Branch, and was responsible for provision of commercial banking and corporate finance advisory services. From March 2007 to December 2014, Mr. Hung acted as the executive director of investment banking of Morgan Stanley Asia Limited, and was responsible for provision of corporate finance advisory services. Mr. Hung obtained a bachelor of science degree in economics from University College London in the United Kingdom in August 1999 and a master of philosophy degree from the University of Cambridge in the United Kingdom in May 2002. Mr. Hung has over 20 years’ experience in the investment and commercial banking industry.

Mr. Leung Yiu Man (梁耀文), aged 58, was appointed as an independent non-executive Director in August 2023. Mr. Leung is responsible for providing independent advice and judgement to the Board.

Since March 2023, Mr. Leung has been an independent non-executive director of Get Nice Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 00064). From August 2017 to February 2025, Mr. Leung acted as a responsible officer and a director of Austen Capital Management Limited, mainly engaging in asset management of private equity and investment advisory. Mr. Leung was an independent non-executive director of Casablanca Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 02223) between May 2015 and May 2017. Mr. Leung served as the managing director of Morgan Stanley Asia Limited between September 2011 and April 2015, the chief investment officer of SPG Land (Holdings) Limited (now known as Greenland Hong Kong Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 00337), between 2009 and 2011, the managing director and executive director of China International Capital Corporation (Hong Kong) Limited between March 2001 and October 2009. Mr. Leung obtained a bachelor’s degree in Social Sciences from the University of Hong Kong in 1990 and the degree of Juris Doctor from The Chinese University of Hong Kong in 2025. Mr. Leung holds Type 4 (advising on securities) and Type 9 (asset management) licenses from the Securities and Futures Commission in Hong Kong. He is a chartered financial analyst of the Institute of Chartered Financial Analysts in the United States and a member of the Hong Kong Securities and Investment Institute. Mr. Leung has over 30 years of experience in investment, equity analysis and corporate finance.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Ms. Cheng Ru (成茹), aged 48, was appointed as a vice president of the Company on 1 February 2021. She is responsible for community businesses and diversified businesses, and for providing assistance to the Chief Executive Officer in relation to operational management.

Ms. Cheng has over 18 years' experience in corporate management of property management businesses. From May 2008 to July 2017, Ms. Cheng served in Guangzhou Yuexiu Property Development Co., Ltd. * (廣州越秀物業發展有限公司) (formerly known as Guangzhou Urban Construction Property Development Co., Ltd. *(廣州城建開發物業有限公司)) ("Yuexiu PD") by starting as supervisor for corporate management of composite department (綜合部) with her last position being the manager of development operations division of property services business department in Yuexiu PD where she was in charge of overall management and operation of the relevant departments. From August 2017 to June 2019, Ms. Cheng acted as the assistant to general manager of property services business department in Yuexiu PD. Since June 2019, Ms. Cheng has acted as the deputy general manager of property services business department in Yuexiu PD, and was in charge of strategic planning, overall management and financial operation, and improvement of business objectives.

Ms. Cheng has been registered as a certified public accountant of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since January 2010. She also obtained the qualification certificate for intermediate level of speciality in real estate economics (房地產經濟) issued by the Guangzhou Municipal Human Resources Office* (廣州市人事局) in the PRC in February 2010. Ms. Cheng also obtained the qualification of a property management specialist granted by the Guangdong Provincial Office for Human Resources and Social Security* (廣東省人力資源和社會保障廳) in the PRC in January 2013.

Ms. Cheng obtained a bachelor's degree in monetary banking studies (貨幣銀行學) from Wuhan University* (武漢大學) in the PRC in July 2000.

Ms. Li Huiting (李慧婷), aged 47, was appointed as the chief financial officer of the Company on 7 July 2023. She is responsible for financial and budget management and capital operations.

Ms. Li has over 10 years of finance management experience in Yuexiu Property prior to joining the Group. From August 2001 to January 2008, Ms. Li worked in the audit department of Guangzhou office of PricewaterhouseCoopers (as it then was) with her last position as an audit manager. Ms. Li joined the finance department of Yuexiu Property in November 2008 as a finance manager, and was promoted as the deputy general manager of finance department in August 2016. Since May 2021, she has served as the general manager of the finance management centre of Yuexiu Property, responsible for various functions such as financial reporting and data control, financing and capital management, as well as budgetary and tax planning.

Ms. Li has been a certified public accountant of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) (the "Institute") since December 2003 and a non-practising member of the Institute since January 2010.

Ms. Li obtained a bachelor's degree in literature majoring in English (international commerce) from Guangdong University of Foreign Studies* (廣東外語外貿大學) in the PRC in June 2001.

DIRECTORS' REPORT

The Board presents the annual report with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and its subsidiaries are primarily engaged in the provision of non-commercial property management and value-added services and commercial property management and operational services in the PRC. An analysis of the Group's revenue for the Year by principal activities is set out in note 4 to the consolidated financial statements of the Group.

BUSINESS REVIEW AND FUTURE DEVELOPMENT

A review of the Group's business during the Year, an analysis of the Group's performance using financial key performance indicators, a description of the Group's relationships with its employees, customers and suppliers and an indication of likely future development in the Group's business as required by Schedule 5 to the Companies Ordinance are set out in "Chairman's Statement" on pages 28 to 32 and in "Management Discussion and Analysis" on pages 33 to 47.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities 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 laws and regulations.

Further details of the Group's environmental policies and performance have been disclosed in the sustainability report of the Company published on the same date of this report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

Further details of the Group's compliance with relevant laws and regulations which have a significant impact on the Group have been disclosed in the sustainability report of the Company published on the same date of this report.

SEGMENT INFORMATION

Management considers that the Company has two business segments under the requirements of HKFRS 8.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 106.

Profit attributable to owners of the Company, before dividends, of RMB273.7 million have been transferred to reserves. Other movements in reserves are set out in the consolidated statement of changes in equity on page 109.

The Board has proposed to declare a final dividend for the Year of HKD0.037 per Share, which is equivalent to RMB0.030 per Share, payable to Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 16 June 2026. Subject to the approval of Shareholders at the forthcoming AGM, the final dividend will be paid on or about Wednesday, 8 July 2026. Dividends payable to Shareholders will be paid in Hong Kong dollars. The exchange rate adopted by the Company for its dividend payable is the average middle exchange rate of HKD against RMB announced by the People's Bank of China in the five business days preceding the date of dividend declaration. The Board had declared an interim dividend for the six months ended 30 June 2025 of HKD0.088 per Share (equivalent to RMB0.080 per Share), paid on Thursday, 25 September 2025.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 5 June 2026. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website and dispatched to the Shareholders in accordance with the requirements of the Listing Rules and Articles of Association in due course.

CLOSURE OF THE REGISTER OF MEMBERS

For the purpose of determining Shareholders' eligibility to attend and vote at the AGM on Friday, 5 June 2026, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026 (both days inclusive), during which period no transfer of Shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 1 June 2026, for registration. The record date for the annual general meeting will be Friday, 5 June 2026.

For the purpose of determining the entitlement of the Shareholders to the proposed final dividend, the register of members of the Company will be closed from Monday, 15 June 2026 to Tuesday, 16 June 2026 which no transfer of Shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 12 June 2026, for registration.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 25 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the Year are set out in note 33 to the consolidated financial statements and on page 109, respectively.

DIRECTORS' REPORT

RESERVES AVAILABLE FOR DISTRIBUTION

As at 31 December 2025, the Company's reserves available for distribution calculated under Part 6 of the Companies Ordinance amounted to approximately RMB402.2 million.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, purchases from the Group's five largest suppliers accounted for 16.5% of the Group's total purchases and purchases from the largest supplier amounted to 6.5% of the Group's total purchases.

For the Year, revenue derived from the Group's five largest customers accounted for 40.3% of the Group's total revenue and revenue derived from the largest customer amounted to 36.5% of the Group's total revenue.

To the best knowledge of the Directors, other than GZYX and its subsidiaries, joint ventures, associates or other related parties, none of the Directors, their close associates or any Shareholder which to the knowledge of the Directors owns more than 5% of the number of total issued Shares had any interest in the Group's five largest customers or five largest suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

LOANS AND BORROWINGS

The Group did not have any bank loans or other borrowings as at 31 December 2025.

DIRECTORS

Unless otherwise stated below, the Directors in office during the Year and up to the date of this report (26 March 2026) were as follows:

Non-executive Directors

Mr. Zhu Huisong (Chairman of the Board) (resigned on 22 May 2025)
Mr. Jiang Guoxiong (Chairman of the Board) (appointed on 22 May 2025)
Mr. Zhang Jianguo (resigned on 8 September 2025)
Mr. Yang Zhaoxuan

Executive Directors

Mr. Wang Jianhui
Mr. Zhang Chenghao
Mr. Zhang Jin

Independent Non-executive Directors

Ms. Hui Lai Kwan
Mr. Hung Shing Ming
Mr. Leung Yiu Man

DIRECTORS' REPORT

ROTATION AND RE-ELECTION OF DIRECTORS

Pursuant to article 110 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election at that meeting, provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at the AGM.

Pursuant to article 111(a) of the Articles of Association, at each AGM, one-third of the Directors for the time being (excluding the Directors eligible for re-election at that meeting pursuant to article 110 of the Articles of Association), or, if their number is not three or a multiple of three, then the number nearest to but greater than one-third, shall retire from office by rotation; subject to the provisions of the Companies Ordinance, the Listing Rules and the Articles of Association, the Directors to retire in every year shall be those who have been longest in office since their last election, and as between persons who became Directors on the same day, the Directors to retire shall (unless they otherwise agree between themselves) be determined by lot; and every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years.

Therefore, in accordance with the Articles of Association, Mr. Zhang Jin (an executive Director), Mr. Yang Zhaoxuan (a non-executive Director) and Mr. Leung Yiu Man (an independent non-executive Director) will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

The Board recommends the re-appointment of the above Directors for re-election at the forthcoming AGM.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 66 to 71.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Changes in Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Since September 2025, Ms. Hui Lai Kwan has been an independent non-executive director of Zijin Gold International Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 02259).

Mr. Hung Shing Ming was approved as DCEO of DBS Bank (China) limited in November 2025.

Mr. Leung Yiu Man obtained the degree of Juris Doctor from The Chinese University of Hong Kong in 2025.

Save as disclosed in this report, there is no other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Details of the Directors' service contracts and letters of appointment are set out in the paragraph headed "Board of Directors – Appointment and Re-election of Directors" in the Corporate Governance Report on pages 51 to 52.

No Directors proposed for re-election at the forthcoming AGM has an unexpired service contract/letter of appointment which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensations.

DIRECTORS OF THE COMPANY'S SUBSIDIARIES

The names of all the directors who have served on the boards of the Company's subsidiaries during the Year and up to the date of this report are available on the Company's website (www.yuexiuserVICES.com).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this report, none of the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during or subsisting at the end of the Year, nor any transaction, arrangement or contract of significance has been entered into during the Year between the Company or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year and up to the date of this report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors or any of their respective associates (as defined in the Listing Rules) was considered to be interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' REPORT

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of Directors' emoluments and emoluments of five highest paid individuals of the Company are set out in notes 8 and 9 to the consolidated financial statements, respectively.

Directors and senior management of the Company may receive compensation in the form of fees, salaries, contributions to pension schemes, other allowances, other benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and performance of the Directors and senior management, as well as the performance of the Group. No Director is involved in deciding his or her own remuneration.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or any of five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

So far as the Directors are aware, at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company at that time in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code in Appendix C3 to the Listing Rules, were as follows:

LONG POSITION IN THE COMPANY

Name of director	Capacity and nature of interest	Number of the Company's issued shares held	Approximate percentage of shareholding in the Company ^{Note 1}
Mr. Zhang Jin ^{Note 3}	Beneficial owner	702,696 ^{Note 2}	0.05%

Notes:

- (1) The total number of 1,502,212,177 shares of the Company in issue as at 31 December 2025 was used for the calculation of the approximate percentage of shareholding.
- (2) The relevant interests are unlisted physically settled options granted pursuant to the Share Option Scheme (as defined below).
- (3) These interests are share options that have been conditionally granted to the relevant Directors under the Share Option Scheme and 346,104 of such share options were vested and became exercisable during the year ended 31 December 2025. 346,104 of share options were cancelled during the year ended 31 December 2025 in accordance with the rules of the Share Option Scheme of the Company. No share options were exercised during the year ended 31 December 2025.

DIRECTORS' REPORT

LONG POSITION IN THE ASSOCIATED CORPORATION OF THE COMPANY

Name of director	Name of associated corporation	Capacity and nature of interest	Number of associated corporation's issued shares held	Approximate percentage of shareholding in the associated corporation ⁽⁴⁾
Mr. Jiang Guoxiong ⁽¹⁾	Yuexiu Property	Beneficial owner/beneficiary of a trust	1,988,842	0.05%
Mr. Zhang Jin ⁽²⁾	Yuexiu Property	Beneficial owner	17,173	0.0004%
Mr. Zhang Chenghao ⁽³⁾	Yuexiu Property	Beneficial owner/beneficiary of a trust	115,162	0.003%

Notes:

- (1) Mr. Jiang Guoxiong is interested in 1,988,842 shares of Yuexiu Property, out of which 1,780,393 shares are owned by him as beneficial owner, 208,449 shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust for Directors and Senior Management (the "Yuexiu Property DSM Trust").
- (2) Mr. Zhang Jin is interested in 17,173 shares, all of those shares are owned by him as beneficial owner.
- (3) Mr. Zhang Chenghao is interested in 115,162 shares, out of which 99,547 shares are owned by him as beneficial owner and 15,615 shares are held for him as a beneficiary under the Yuexiu Property Company Limited Share Award Scheme Trust for Employees.
- (4) The total number of 4,025,392,913 shares of Yuexiu Property in issue as at 31 December 2025 was used for the calculation of the approximate percentage of shareholding.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were deemed or taken to have under the provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' REPORT

DISCLOSEABLE INTERESTS OF SHAREHOLDERS UNDER THE SECURITIES AND FUTURES ORDINANCE

So far as the Directors are aware, as at 31 December 2025, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed 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 by the Company under Section 336 of the SFO:

Name of shareholder	Capacity and nature of interest	Shares held ⁽¹⁾	Approximate shareholding percentage ⁽⁴⁾
GZYX	Interest in a controlled corporation ⁽²⁾	1,018,600,000 (L)	67.81%
YXE	Interest in a controlled corporation ⁽²⁾	1,018,600,000 (L)	67.81%
Yuexiu Property	Interest in a controlled corporation ⁽²⁾	1,018,600,000 (L)	67.81%
Guangzhou Construction & Development Holdings (China) Limited (" GCD China ")	Beneficial owner ⁽²⁾	1,018,600,000 (L)	67.81%
GZ Metro	Interested in a controlled corporation ⁽³⁾	90,359,677 (L)	6.02%
Guangzhou Metro Investment Finance (HK) Limited (廣州地鐵投融資(香港)有限公司) (" GMIF ")	Beneficial owner ⁽³⁾	90,359,677 (L)	6.02%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) Given that (i) GCD China is wholly-owned by Yuexiu Property; (ii) Yuexiu Property is indirectly owned by YXE as to approximately 43.39%; and (iii) YXE is wholly-owned by GZYX, by virtue of the SFO, each of GZYX, YXE and Yuexiu Property is deemed to be interested in the Shares held by GCD China.
- (3) Given that GMIF is directly wholly-owned by GZ Metro, by virtue of the SFO, GZ Metro is deemed to be interested in the Shares held by GMIF.
- (4) The total number of 1,502,212,177 shares of the Company in issue as at 31 December 2025 was used for the calculation of the approximate percentage of shareholding.

Save as disclosed above, as at 31 December 2025, there was no other person who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed 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 by the Company under Section 336 of the SFO.

DIRECTORS' REPORT

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties facing the Group are set out in the Risk Management Report on pages 92 to 97.

Principal financial risks are set out in note 32 to the consolidated financial statements.

CHARITY DONATION

The Group did not make any charitable donations during the Year.

EQUITY-LINKED AGREEMENT

SHARE OPTION INCENTIVE SCHEME

Pursuant to the ordinary resolution of the Shareholders' passed on 15 February 2023, the Company has adopted the Share Option Incentive Scheme (the "**Share Option Scheme**") to recognise and acknowledge the contributions of the Eligible Participants (as defined below) to the Group by granting share options under the Share Option Scheme (the "**Options**") to them as incentives or rewards. Details of which can refer to the circular of the Company dated 26 January 2023.

Set out below is a summary of the principal terms of the Share Option Scheme:

Purpose

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions of the Eligible Participants to the Group by granting Options to them as incentives or rewards. In particular, it is intended that the Share Option Scheme will offer meaningful incentive to attract, retain and motivate talented employees towards the performance goals in business operation and other long-term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group.

Duration of the Share Option Scheme

The Share Option Scheme shall be valid and effective for the period commencing on the date on which the Share Option Scheme is adopted by an ordinary resolution of the Shareholders on 15 February 2023 (the "**Adoption Date**") and expiring at 5:00 p.m. on the business day immediately preceding the tenth anniversary of the Adoption Date unless terminated earlier by the Shareholders in general meeting (the "**Scheme Period**"). Upon termination of the Share Option Scheme, no further Options may be granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect.

Participants

Only the Eligible Participants may be granted Options. On and subject to the terms of the Share Option Scheme, the Board may, on a business day during the Scheme Period, at its absolute discretion (and subject to any conditions as it may think fit, including but not limited to the achievement of any performance target and/or any minimum period for which an Option must be held before it can be exercised) make an offer in writing (in such form as the Board may from time to time determine) to an Eligible Participant an Option to subscribe at the exercise price for the exercise of such Options (the "**Exercise Price**") for such number of Shares as the Board may determine.

"Eligible Participant" refers to any employee (whether full-time or part-time) or director of any member of the Group, other than an Excluded Person. "Excluded Person" refers to (i) any person who is an independent non-executive director of any member of the Group; (ii) any person alone or together with his family member(s) is interested in 5% or more of the issued Shares at the time of any proposed grant; or (iii) the spouse, father, mother or child of the person referred to in (i) or (ii) above and who is not an employee of any member of the Group.

Acceptance of a grant

Any grant may be accepted on or before the date specified in the grant (or at such other time and in such other manner as the Board may otherwise determine, including but not limited to an agreement in relation to the grant of the Options between an Eligible Participant and the Company) provided that no grant shall be open for acceptance after the expiry of the Scheme Period or after the Share Option Scheme has been terminated in accordance with the provisions thereof. An amount of HKD1.00 is payable by an Eligible Participant on acceptance of a grant.

Exercise price

The price per Share payable on the exercise of an Option as determined by the Board and shall at least be the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which shall be a business day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant;

or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme.

The total subscription price payable upon exercise of an Option shall be an amount equal to the Exercise Price multiplied by the relevant number of Shares in respect of which the Option is exercised.

DIRECTORS' REPORT

Maximum number of shares for which Options may be granted

The total number of Shares which may be issued in aggregate upon exercise of all options to be granted under the Share Option Scheme and any other schemes (i.e. schemes or arrangements analogous to a share option scheme as described in Chapter 17 of the Listing Rules) shall not in aggregate exceed 10% (152,203,017 Shares) of the Shares in issue as at the Adoption Date, and as the Company has not adopted any other schemes as at the date of this report, the total number of Shares available for issue under the Share Option Scheme is 152,203,017 Shares, representing approximately 10.13% of the Shares in issue of the Company as at the date of this report.

The number of options available for grant under the Share Option Scheme as at 1 January 2025 were 137,779,117 Shares, representing approximately 9.09% of the Shares in issue as at 1 January 2025. The number of options available for grant under the Share Option Scheme as at 31 December 2025 were 140,379,817 Shares, representing approximately 9.34% of the Shares in issue as at 31 December 2025. 4,759,887 Shares may be issued in respect of Options granted under the Share Option Scheme of the Company during the year ended 31 December 2025. 3,901,656 of Options were cancelled during the year ended 31 December 2025 in accordance with the rules of the Share Option Scheme of the Company.

Maximum number of options to each participant

The total number of Shares issued and to be issued upon the exercise of all Options granted to each Eligible Participant (excluding any options lapsed in accordance with the terms of the Share Option Scheme) in any period of twelve (12) consecutive months shall not exceed 1% of the Shares in issue.

The Company may grant further Options in excess of the limit set out in the preceding paragraph, subject to the Shareholders' approval in general meeting, at which the Eligible Participant involved and his close associates (or his associates if the Eligible Participant is a connected person) shall abstain from voting, and the following provisions shall apply:

- (a) a circular containing the identity of the Eligible Participant involved, the number and terms of Options to be granted (and those previously granted to such participant in the 12-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose shall be despatched to the Shareholders together with the notice of the relevant general meeting;
- (b) the number and terms of Options to be granted to the Eligible Participant involved shall be fixed before the general meeting; and
- (c) the date of the meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

Exercise and vesting period of the options

Subject to the provisions of the Share Option Scheme and the terms and conditions of the relevant grant(s), Options may be exercised by an Eligible Participant (or in the case of his death, his designated successor or legal successor and including the personal representative(s)), in whole or in part, at any time during the Option Period. "Option Period" is a period to be determined by the Board at its absolute discretion (provided that the period shall not be more than ten (10) years from the date of grant) and notified by the Board to an Eligible Participant as the period during which an Option may be exercised (subject to any restrictions on the exercise of the Option as may be imposed by the Board).

DIRECTORS' REPORT

In order for the exercise of an Option to be effective, the secretary of the Company (or such other officers or department as the Board may designate from time to time) must, prior to the expiry of the Option Period, have received, among other things, a written notice exercising the Option and payment in full of the subscription price. Unless otherwise agreed between the Company and the option holder, Shares in respect of an Option shall be issued within twenty eight (28) days of the date upon which the exercise of the Option becomes effective.

The vesting period in respect of any Option granted to any Eligible Participant shall not be less than 12 months from the date of acceptance, provided that where the Eligible Participant is:

- (a) an employee participant who is a Director or a senior manager specifically identified by the Company, the Remuneration Committee shall, or
- (b) an employee participant who is not a Director nor a senior manager specifically identified by the Company, the Directors shall have the authority to determine a shorter vesting period under the following circumstances:
 - (i) grants of "make-whole" Options to new employee participants to replace the awards or options such employee participants forfeited when leaving the previous employer;
 - (ii) grants to an employee participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (iii) grants that are made in batches during a year for administrative and compliance reasons;
 - (iv) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months;
 - (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
 - (vi) the Remuneration Committee (or as the case may be, the Directors) is of the view that a shorter vesting period is appropriate and serves the purpose of the Share Option Scheme.

The remaining life of the Share Option Scheme

The Share Option Scheme became effective since 15 February 2023. It, unless otherwise cancelled or amended, will remain in force for ten years from that date.

A summary of the principal terms and conditions of the Share Option Scheme is set out in Appendix 1 to the circular of the Company dated 26 January 2023.

DIRECTORS' REPORT

DETAILS AND MOVEMENTS OF OPTIONS DURING THE YEAR ENDED 31 DECEMBER 2025

The details and the movement of the Options granted under this Share Option Scheme during the year ended 31 December 2025 are as below: –

Grantees	Outstanding options as at 1 January 2025	Date of the conditional grant	Exercise price per share (HKD)	Closing price per share immediately before the date of the conditional grant (HKD)	Vesting period/ Exercise period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding options as at 31 December 2025
Zhang Jin	1,048,800	30 December 2022	3.334	3.310	(Note 1)	N/A (Note 2)	(346,104)	0	702,696
Senior management and core employees of the Group	13,375,100	30 December 2022	3.334	3.310	(Note 1)	N/A (Note 2)	(3,555,552)	(2,600,700)	7,218,848
Total	14,423,900						(3,901,656)	(2,600,700)	7,921,544

Notes:

- Subject to the terms of the Share Option Scheme and the terms of the initial grant proposal, including the vesting conditions as set out below, these Options that are conditionally granted shall be vested and become exercisable until 8 years from the date of the conditional grant in three tranches as described below: the first tranche comprising of 33% of the options conditionally granted shall be vested on the first trading day after 24 months from the date of the conditional grant (i.e. 30 December 2024); the second tranche comprising of 33% of the options conditionally granted shall be vested on the first trading day after 36 months from the date of the conditional grant (i.e. 30 December 2025); and the third tranche comprising of 34% of the options conditionally granted shall be vested on the first trading day after 48 months from the date of the conditional grant (i.e. 30 December 2026).

Vesting conditions for such Options that are conditionally granted are as follows:

- Vesting conditions: in relation to the Company and in respect of each tranche of the Options granted:
 - the Company's return on equity attributable to shareholders after deducting non-recurring gain or loss (I) shall not be less than 12.8% for the first tranche in 2023, 12.9% for the second tranche in 2024 and 13.0% for the third tranche in 2025 and (II) shall be equal to or greater than that of the average of the peer benchmark companies plus 1%;
 - the Company's growth rate of net profit attributable to shareholders after deducting non-recurring gain or loss in 2023 for the first tranche, 2024 for the second tranche and 2025 for the third tranche (I) as compared to that of 2021 shall be greater than 32%, 52% and 75% respectively and (II) shall be equal to or greater than that of the average of the peer benchmark companies;
 - the Company's receivables turnover ratio in 2023 for the first tranche, 2024 for the second tranche and 2025 for the third tranche shall not be less than 4.2;
 - the proportion of cash dividend shall not be lower than 30% of the Company's distributable net profit in the latest full financial year; and
 - none of the following circumstances having occurred:
 - issue of the financial and accounting report of the Company for the most recent financial year in which a certified public accountant gives an adverse opinion or cannot give an opinion;
 - imposition of administrative penalties by regulatory authorities as a result of material breach of rules and regulations in the preceding year; and
 - other circumstances under which implementation of share option incentive schemes is prohibited as determined by regulatory authorities.

DIRECTORS' REPORT

- (ii) Vesting conditions: in relation to an incentive target who has accepted a grant of Options and in respect of each tranche of the Options granted:
 - (A) he/she has obtained an assessment grade of "B" for senior management (including executive Directors) and "pass" for core employees of the Group or above in the year preceding the scheduled vesting date in which case the entire tranche of the Options granted will be vested (for the avoidance of doubt, if an incentive target who has accepted a grant of Options fails to obtain the aforesaid assessment result, the entire tranche of the Options granted will lapse); and
 - (B) none of the following circumstances having occurred:
 - (I) he/she has been publicly censured or declared as an ineligible candidate by the Stock Exchange during the last three years;
 - (II) he/she has been penalized by regulatory authorities during the last three years due to serious violations of laws or regulations;
 - (III) he/she is prohibited from acting as a director or a member of the senior management of a company by the relevant laws and regulations; or
 - (IV) he/she is determined by the Board to have otherwise seriously violated the Company's regulations.
- 2. 4,759,887 of Options were vested and became exercisable during the year ended 31 December 2025. No Options were exercised during the year ended 31 December 2025.
- 3. During the year ended 31 December 2025, no Options have been granted.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there was no restriction against such rights under the Companies Ordinance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Directors were authorised by the shareholders of the Company at the Company's annual general meeting to effect repurchase of the Company's ordinary shares not exceeding 10% of the total number of the Company's issued shares as at the dates of the resolutions being passed, details of which were announced on 20 May 2024.

DIRECTORS' REPORT

During the Year, the Company repurchased an aggregate of 8,259,500 ordinary shares for a total consideration (excluding expenses) of approximately HKD24.6 million on the Stock Exchange, out of which 1,489,000 ordinary shares were cancelled in January 2025 and the remaining 6,770,500 ordinary shares were subsequently cancelled in April 2025. Details of the shares repurchased are as follows:

Month of repurchase in 2025	Number of ordinary shares repurchased	Consideration per share		Aggregate consideration paid (excluding expenses) HKD '000
		Highest HKD	Lowest HKD	
January	1,489,000	3.29	3.05	4,679
March	3,121,000	3.02	2.87	9,251
April	3,649,500	3.05	2.74	10,650

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

PERMITTED INDEMNITY PROVISIONS

Pursuant to article 166 of the Articles of Association, subject to the provisions of the Companies Ordinance, every Director, company secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of his office or otherwise in relation thereto.

The Company has subscribed appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Company.

CONTINUING CONNECTED TRANSACTIONS

GZ YX, YXE, Yuexiu Property and GCD China are controlling Shareholders, and hence, connected persons of the Company under Chapter 14A of the Listing Rules.

GZ Metro is a substantial shareholder of Guangzhou Metro Environmental Engineering Co., Ltd.* (廣州地鐵環境工程有限公司) which is a subsidiary of the Company, and hence, a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules.

Chong Hing Bank Limited ("CHB") is a subsidiary of YXE, a controlling Shareholder, and hence, a connected person of the Company under Chapter 14A of the Listing Rules.

For the Year, the Group has entered into the following non-exempted continuing connected transactions:

1. PROPERTY LEASE

On 31 December 2023, the Company, GZYX and Yuexiu Property entered into the property lease framework agreement with a term commencing from 1 January 2024 to 31 December 2026 to govern the Group's leases of properties from GZYX, Yuexiu Property and their respective associates which are exempt from recognition as right-of-use assets under HKFRS16 (the "**Property Lease Framework Agreement**"), which will enable the Group to use the office premises of GZYX, Yuexiu Property and their respective associates and sub-lease certain car parking spaces for providing carpark space management and operation services to generate additional rental income. The annual caps for the Property Lease Framework Agreement for the years ending 31 December 2024, 2025 and 2026 are RMB54,441,000, RMB63,361,000 and RMB75,751,000, respectively.

For the Year, the rental paid by the Group under the Property Lease Framework Agreement amounted to approximately RMB28,394,000.

For details of the above continuing connected transactions, please refer to the announcement of the Company dated 2 January 2024.

2. GZ METRO PROPERTY MANAGEMENT AND RELATED SERVICES

On 22 November 2022, the Company entered into the 2023 GZ Metro Property Management and Related Services Framework Agreement with GZ Metro, pursuant to which the Group may provide, and GZ Metro and its associates may procure, the property management and related services for a term of three years commencing from 1 January 2023. The annual caps for the 2023 GZ Metro Property Management and Related Services Framework Agreement for the years ending 31 December 2023, 2024 and 2025 are RMB335,219,000, RMB420,547,000 and RMB504,657,000, respectively.

For the Year, the service fees paid to the Group under the 2023 GZ Metro Property Management and Related Services Framework Agreement amounted to approximately RMB285,940,000.

For details of the above continuing connected transactions, please refer to the announcement of the Company dated 23 November 2022.

As the 2023 GZ Metro Property Management and Related Services Framework Agreement was due to expire on 31 December 2025, on 31 December 2025, the Company entered into the 2026 GZ Metro Property Management and Value-Added Services Framework Agreement with GZ Metro, pursuant to which the Group may provide, and GZ Metro and its associates (as defined in the relevant announcement) may procure, property management and valued-added services for a term commencing on 1 January 2026 and ending on 31 December 2028. The annual caps for the 2026 GZ Metro Property Management and Value-Added Services Framework Agreement for the years ending 31 December 2026, 2027 and 2028 are RMB429,709,000, RMB518,075,000 and RMB625,047,000, respectively.

For details of the above continuing connected transactions, please refer to the announcement of the Company dated 31 December 2025.

DIRECTORS' REPORT

3. BANK DEPOSITS

On 22 November 2022, the Company entered into the 2023 Bank Deposits Agreement with CHB, pursuant to which the Group may, in its ordinary and usual course of business, place and maintain bank deposits (the “**Bank Deposits**”) with CHB and its subsidiaries (“**CHB Group**”) on normal commercial terms from time to time for a term of three years commencing from 1 January 2023, and the placing and maintenance of any the Bank Deposits shall be subject to the terms and conditions of the CHB Group applicable to independent customers similar to the Group from time to time. The daily caps for the Bank Deposits under the 2023 Bank Deposits Agreement for the years ending 31 December 2023, 2024 and 2025 are RMB2,293,500,000, RMB2,522,850,000 and RMB2,775,135,000, respectively.

For the Year, the highest daily outstanding balance (including accrued interests) of the Bank Deposits placed by the Group with CHB Group on any given day amounted to approximately RMB2,453,283,000.

For details of the above continuing connected transactions, please refer to the announcement and the circular of the Company dated 23 November 2022 and 12 December 2022, respectively.

As the 2023 Bank Deposits Agreement was due to expire on 31 December 2025, on 14 November 2025, the Company entered into the 2026 Bank Deposits and Ancillary Services Agreement for a term of three years for the purpose of, among others, renewing the term of the 2023 Bank Deposits Agreement. The daily caps for the bank deposits under the 2026 Bank Deposits and Ancillary Services Agreement for years ending 31 December 2026, 2027 and 2028 are RMB2,500,000,000, RMB2,500,000,000, RMB2,500,000,000, respectively.

For details of the above continuing connected transactions, please refer to the announcement and the circular of the Company dated 14 November 2025 and 2 December 2025, respectively.

4. PROCUREMENT OF PRODUCTS

On 21 November 2024, the Company entered into the framework agreement with GZYX and Yuexiu Property, pursuant to which the Group may procure, and GZYX and Yuexiu Property and their respective associates may provide, the relevant procured products and services for a term commencing on the effective date of the agreement (being the date on which the conditions precedent are fulfilled but in any event no earlier than 1 January 2025) and ending on 31 December 2027 (the “**2025 Procurement Framework Agreement**”).

The annual caps of the 2025 Procurement Framework Agreement for the years ending 31 December 2025, 2026 and 2027 are RMB104,207,000, RMB138,612,000 and RMB191,818,000, respectively.

For the Year, the total amount paid by the Group for the procured products under the 2025 Procurement Framework Agreement was approximately RMB22,463,000.

For details of the above continuing connected transactions, please refer to the announcement and the circular of the Company dated 21 November 2024 and 5 December 2024, respectively.

DIRECTORS' REPORT

5. 2025 PROPERTY MANAGEMENT AND VALUE-ADDED SERVICES FRAMEWORK AGREEMENT

On 21 November 2024, the Company entered into the framework agreement with GZYX and Yuexiu Property for the provision of Property Management and Value-Added Services by the Group to GZYX, Yuexiu Property and their respective associates (including the GZ Metro & Yuexiu Property JVs and any associates of Yuexiu Property (which are also subsidiaries of GZ Metro)) for a term commencing on the effective date of the agreement (being the date on which the conditions precedent are fulfilled but in any event no earlier than 1 January 2025) and ending on 31 December 2027 (the "2025 Property Management and Value-Added Services Framework Agreement"). To streamline the management of future connected transactions in respect of the provision of Property Management and Value-Added Services by the Group to GZYX, Yuexiu Property and their respective associates, the Company has consolidated the 2022 Property Management Services Framework Agreement and the 2022 Intelligent Services Framework Agreement into the 2025 Property Management and Value-Added Services Framework Agreement.

The table below sets out the maximum annual service fees payable to the Group under the 2025 Property Management and Value-Added Services Framework Agreement for the three years ending 31 December 2027:

Annual caps for:	Year ending 31 December		
	2025 (RMB'000)	2026 (RMB'000)	2027 (RMB'000)
(i) Property Management Services	107,965	138,095	176,955
(ii) Commercial Operation and Management Services	253,592	290,838	305,327
(iii) Value-added Services	1,473,696	1,695,390	1,967,502
(iv) Market Positioning Consultancy and Tenant Sourcing Services	156,667	168,925	188,727
Total:	1,991,920	2,293,248	2,638,511

For the Year, the service fees paid to the Group under the 2025 Property Management and Value-Added Services Framework Agreement for (i) property management services; (ii) commercial operation and management services; (iii) value-added services; and (iv) market positioning consultancy and tenant sourcing services amounted to approximately RMB80,276,000, RMB143,298,000, RMB825,755,000 and RMB87,569,000, respectively.

For details of the above continuing connected transactions, please refer to the announcement and the circular of the Company dated 21 November 2024 and 5 December 2024, respectively.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the relevant framework agreements and confirmed that the framework agreements have been entered into:

- a) in the ordinary and usual course of business of the Group;
- b) either on normal commercial terms or, if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

DIRECTORS' REPORT

The Company's auditor was engaged to report on the Group's continuing connected transactions for the Year in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules and nothing has come to their attention that causes them to believe that the continuing connected transactions of the Group:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iv) have exceeded the annual cap in respect of the continuing connected transactions of the Group.

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group undertaken during the Year are set out in note 29 to the consolidated financial statements. Save as disclosed in the paragraphs headed "Continuing Connected Transactions" above, none of these related party transactions is required to be disclosed under Chapter 14A of the Listing Rules.

EVENTS AFTER THE REPORTING YEAR

There are no significant events subsequent to 31 December 2025 which would materially affect the Group's operating and financial performance as of the date of this report.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge, information and belief of the Directors, the Company has maintained sufficient public float as required by the Stock Exchange and under the Listing Rules throughout the Year and up to the date of this report.

MATERIAL LITIGATION AND ARBITRATION

For the Year, the Company was not involved in any litigation, arbitration or claims of material importance and there was no litigation or claim of material importance which was known to the Directors to be pending or threatened by or against the Company.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company has adopted the code provisions of the Corporate Governance Code as its own code of corporate governance. The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 50 to 65.

AUDIT COMMITTEE

The Audit Committee, comprising Ms. Hui Lai Kwan (chairlady), Mr. Hung Shing Ming and Mr. Leung Yiu Man, has discussed with the Group's management and external auditor the accounting principles and policies adopted by the Group as well as the procedures adopted by the auditor in reviewing all continuing connected transactions, and has reviewed the Group's consolidated financial statements for the Year.

AUDITOR

The consolidated financial statements have been audited by Ernst & Young ("EY"), Certified Public Accountants and Registered Public Interest Entity Auditor.

At the annual general meeting of the Company held on 12 June 2024, PricewaterhouseCoopers retired as the auditor of the Company and EY was appointed as the new auditor of the Company.

EY will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Mr. Jiang Guoxiong

Chairman of the Board

Hong Kong, 26 March 2026

RISK MANAGEMENT REPORT

DUTIES OF THE BOARD AND THE MANAGEMENT

The Board believes that effective risk management and internal control are essential to the long-term business growth and sustainability of the Group. The Board is responsible for assessing and determining the nature and extent of risks to which the Group is willing to expose itself in meeting its strategic objectives and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control system to safeguard the Company's assets and the interests of the Shareholders.

The management of the Group is responsible for the design, implementation and monitoring of the risk management and internal control system and for confirming to the Board on the effectiveness of the risk management and internal control system.

Risk management and internal control system is established to mitigate, to the extent acceptable, each of the Group's business risks, rather than to eliminate the risk of failure to achieve business objectives, and only to provide reasonable but not absolute assurance that there will be no material misstatement or loss.

The comprehensive risk management is managed by the Group on a hierarchical basis and this framework includes the Board, the Audit Committee, senior management of the Group, management at the headquarters of the Group and its subsidiaries, and the Audit and Legal Department.

RISK MANAGEMENT REPORT

RESPONSIBILITIES

The Group has established an interactive risk management infrastructure to define direct management obligations for risk management and procedures for reporting risk information, clarified risk management processes and responsibilities, and adopted proactive and structured approaches to promote the culture of internal risk management.

The responsibilities and key obligations under the risk management structure at different levels of the Group are set out in the table below:

Responsible Party	Key obligations
The Board (level of decision making)	Evaluates and determines the nature and extent of the risks that the Group is willing to expose itself to for achieving its strategic objectives; Ensures that the Company establishes and maintains suitable and effective risk management and internal control system; Oversees design, implementation and monitoring of the risk management and internal control system by the management.
The Audit Committee (level of decision making)	Reviews and determines the risk management framework; Conducts regular review and assessment of the effectiveness of the risk management framework; Coordinates with and assists the senior management of the Group to propel risk management; Reports to the Board on any material risk management issue and suggested resolution.
Senior management of the Group (level of leadership organisation)	Conducts regular risk assessment and establishes risk management measures based on the Group's strategic targets from the perspective of the Group as a whole; Designs, implements and monitors the risk management and internal control system; Confirms to the Board on the effectiveness of the risk management and internal control system.
Management at the headquarters and subsidiaries of the Group (level of implementation organisation)	Establishes and implements the risk response plans for their respective businesses; Promotes and implements the specific risk management initiatives; Monitors the respective risks of the businesses they are responsible for, and reports relevant risk information to senior management.
The Audit and Legal Department (level of supervision)	Coordinates and promotes establishment of risk management system; Coordinates and promotes risk assessment by the respective business units; Supervises the respective business units to carry out risk response and monitoring; Conducts independence assessment on the risk management and internal control system through internal audit.

RISK MANAGEMENT REPORT

RISK MANAGEMENT PROCEDURES

The Group has developed various policies relating to risk management and internal control with the aim to further standardise the procedures for risk management and internal control and make constant risk supervision and management. The main steps of the risk management procedure include:

- Risk identification
- Risk analysis
- Risk response
- Risk evaluation
- Risk tracking

Risk management is mainly driven by the nature of the industry in which the Group operates, and the Group's strategy and business objectives. By identifying the risk factors that affect the achievement of objectives, analysing the causes leading to specific risk events, assessing the likelihood of occurrence of any particular risks and their potential impacts, confirming and recording the specific responsive measures for identified risks, constantly monitoring and assessing change of risks and adjusting the risk countermeasures in a timely manner, the Group is able to obtain such risk assessment results that conform to the actual situation of the Group.

RISK MANAGEMENT CONDUCTED BY THE GROUP IN 2025

INDUSTRY OVERVIEW

The year 2025 marks conclusion of the "14th Five-Year" plan, a period when the industry, after years of pursuing diversification and rapid expansion, was gradually transitioning toward quality-driven development stage with a rational and pragmatic mindset. Against the backdrop of mounting pressure on property management fees and declining customer satisfaction, the industry has increasingly embraced a common perspective that delivering quality services that justify their prices is critical to future development.

When developing risk management strategies, leading players, on the one hand, are piloting a shift of pricing models as a pathway to strengthening core competitiveness, building standardized, modular service offerings paired with transparent and efficient costing mechanisms, thus winning property owners' trust with the "open-book" transparency. On the other hand, as basic property services currently have proven to be highly resilient to economic cycles, these leading players stay focused on basic property services and vigorously enhance service quality as the key pillar for their strategic expansion as property management firms.

RISK MANAGEMENT REPORT

RISK COUNTERMEASURES AND THE EFFECTIVENESS

Through the existing risk management system, the Group effectively performs the risk prevention and control function of each department, identifies and assesses the risk factors that may occur or continue to affect the Company's development objectives, and develops corresponding internal control measures in order to prevent, alleviate or reduce the possible impact of these risks. Details of the operation of the specific risk management and internal control system are set out below:

Service excellence: anchoring growth in quality as the foundation and customer satisfaction as the priority to mitigate risks of declining service standards and low satisfaction

Committed to the business philosophy of "quality as the foundation, customer satisfaction as the priority", the Group has launched targeted remediation initiatives and systematically advanced risk mitigation efforts in response to fluctuations of collection rate, underperforming projects with low satisfaction ratings and concentrated customer complaint areas. At the project level, the Group has deepened lean management initiatives, establishing benchmark projects that exemplify lean practices; specific initiatives in four key areas in property management have yielded notable results, witnessing reduced customer complaints and continuous improvement in overall satisfaction; cultivation in key projects have recorded greater breakthrough by eliminating those with persistently low satisfaction ratings; projects considered as high-risk have secured contract renewals, thereby solidifying the service foundation.

Value enhancement: building an enabling team and activating platform-driven expansion to mitigate risks of stagnant growth and structural imbalance in value-added business

During the Year, the Group established its value-added business department, assembling an enabling team to navigate challenges. Through functional integration and lean management, labor costs have been reduced, while the share of third-party revenue in value-added services has seen significant growth. The Culture, Commerce & Tourism subsidiary achieved a breakthrough from commercial property management to investment-led operations, with its first external project commencing operations in Wuxi Longtingli. Yueke Company (悦科公司) expanded the coverage of micro-fulfillment center and developed an O2O service model. The home furnishing segment secured a contract for the upgrade and renovation of vacant office units at Yuexiu Financial Tower, marking a breakthrough in the decoration services. These initiatives have further ignited new growth engines for value-added services.

Deeper investment: devoting to high-quality outreach and breaking into strategic segments to mitigate risks of scale expansion and existing portfolio optimisation

Focusing on strategic core cities, the Group has achieved comprehensive breakthroughs in four major business segments: government institutions, banks, campuses and corporate headquarters, acquiring contracts for high-quality projects such as contracts with a procuratorate project and Guangzhou Polytechnic of Sports. A specialized and standardized risk control system for external expansion has been established to safeguard the baseline of development; the institutional framework has been refined, with specialized project evaluation and financial modeling tools developed to improve the review and decision-making mechanism. With proactive approaches in identification, the Group has successfully exited multiple low-quality projects, effectively minimized losses and contained further drains on resources.

RISK MANAGEMENT REPORT

Organisational agility: driving organisational transformation and upgrading talent mechanisms to mitigate risks of low organizational efficiency and key talent attrition

The Group has focused on iterating its organizational structure and upgrading talent mechanisms to build a streamlined and high-efficiency “platform + terminal” model. At headquarters, an agile, customer-centric organisation has been established, along with two new business units, the non-residential business department and the value-added business department, to strengthen operational functions. The full-chain talent management mechanism of “selection–evaluation–training–elimination” has been reshaped, with intensified efforts to replace and reinforce key roles at headquarters. Particular emphasis has been placed on building the capabilities of project managers and property butlers, with an iterative upgrade to the star-rating butler certification system.

Digital intelligence penetration: deepening technology-driven transformation and upgrading management systems to mitigate risks of lagging digital transformation and low operational efficiency

The Group has accelerated the completion and iteration of key systems. During the “14th Five-Year” plan period, it successfully rolled out 19 core systems, including My Cloud (我家雲), Yue-Quality (悦品質) and “Yue-Butler (悦管家), and was recognized as technology-driven enterprise, thus laying a solid foundation for the next phase of digital and intelligent transformation. In 2025, the Group finalized its “15th Five-Year Plan” digital roadmap, focusing on the goal of “enabling project oversight through the centralised command centre, and improving agility and efficiency via a tri-platform integration”. An AI-powered quality control system was developed and deployed in-house, covering 209 projects, shortening the average response time for customer work orders, and achieving tangible management upgrades driven by digital intelligence.

Stringent internal control: strengthening compliance oversight and deepening audit supervision to mitigate risks of compliance failures and control deficiencies

Remaining committed to the core objectives of “managing risks, strengthening internal controls and ensuring compliance”, the Group has continuously improved the risk management system and enhanced the effectiveness of audit oversight. Special audits have been conducted in key areas, along with post-investment reviews of external expansion projects, to help business entities establish sound policies and procedures, and drive corrective actions. In line with industry regulatory requirements and the Group’s operational demands, internal control policies have been updated and refined. Multiple rounds of compliance training sessions have been delivered, analyzing typical issues from an audit and internal control perspective to raise organisation-wide awareness of compliance. These efforts fortify a solid compliance foundation for the Group’s high-quality development.

RISK MANAGEMENT REPORT

INTERNAL CONTROL

The Board is responsible for developing an adequate internal control system for the Group to safeguard the Group's assets and shareholders' interests. The Audit Committee shall review the internal control system for each financial year on a half-yearly basis to ensure the system is adequate.

Reporting directly to the Audit Committee on internal control matters, the Audit and Legal Department is responsible for continuously monitoring the workflow and risk assessment of the Group's respective departments to assist the Board and senior management in complying with regulatory requirements and guidelines, thereby improving the efficiency of the internal control system. Through ongoing internal audit supervision, the Audit and Legal Department will ensure that the internal control system is operating effectively.

During the Year, the internal audit function performed under the leadership of the Board and the Audit Committee. The Audit Committee had reviewed the effectiveness of the Group's internal control system on financial, operational, compliance and business matters and reported the results to the Board. If the Audit and Legal Department identifies any material negligence or significant deficiencies in controls, it will make prompt report to the Audit Committee.

REVIEW OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM AND SUMMARY OF ITS EFFECTIVENESS

During the Year, the Audit and Legal Department submitted the risk management and internal control report to the Audit Committee for review on a half-yearly basis. The Board had reviewed, through the Audit Committee, the various reports on the risk management and internal control system and conducted a comprehensive review of the Group's risk management and internal control system, and agreed that the Group's risk management and internal control system for the year ended 31 December 2025 was adequate and effective and it will continue to enhance the implementation of the corporate risk management framework and risk control procedures.

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌
英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the members of Yuexiu Services Group Limited

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Yuexiu Services Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 105 to 200 which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

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

Key audit matter	How our audit addressed the key audit matter
<p>Estimation of goodwill impairment</p> <p>As at 31 December 2025, the gross carrying amount of goodwill arising from business combinations was approximately RMB260,408,000 and accumulated impairment loss of goodwill amounting to RMB236,866,000.</p> <p>Goodwill is tested for impairment annually. The impairment review of goodwill performed by the Group's management includes a number of significant judgements and estimates in determining the recoverable amounts of cash-generating units ("CGUs") which are the higher of the fair value less costs of disposal and the value in use. The estimation was sensitive to key assumptions such as revenue growth rates, gross margin and discount rates of the CGUs.</p>	<p>Our audit procedures to assess the impairment of goodwill included the following:</p> <ul style="list-style-type: none">• Obtained an understanding of, evaluated and tested the internal controls over the impairment assessment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as estimation complexity, subjectivity, changes and susceptibility to management bias or fraud;• Assessed the appropriateness of the management's identification of the cash-generating-units based on the Group's accounting policies and our understanding of the Group's business;• Involved internal valuation specialists to assist in evaluating the methodologies and discount rates used by the Group for determining the recoverable amounts;

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p>We identified goodwill impairment as a key audit matter because of the materiality of the balances of goodwill, and the complex and subjective management estimation made by management on the key assumptions.</p> <p>The significant accounting estimates and disclosures about the impairment assessment of goodwill are included in notes 3 and 16 to the consolidated financial statements.</p>	<ul style="list-style-type: none"> • Evaluated the competency, capabilities and objectivity of the management's external valuer; • Examined the reliability and historical accuracy of the management's forecasts by comparing the prior year's projection with the current year's results; • Examined the reasonableness of key assumptions applied to the impairment test, by comparing them to historical results, business development plans and economic and industry forecast; • Assessed the sensitivity analysis performed by the Group's management on the impact of changes in the key assumptions; • Tested the mathematical calculation of the forecasts and carrying values in management's impairment model and comparing management's estimate of the recoverable amount with the carrying amount of each CGU; and • Assessed the adequacy of the disclosures related to impairment assessment of goodwill.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of the expected credit losses for trade receivables</p> <p>As at 31 December 2025, the Group had trade receivables of RMB849,282,000, after netting off with loss allowance of RMB67,151,000. The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on age for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information.</p> <p>We identified the expected credit losses on trade receivables as a key audit matter because the balance of trade receivables was material to the Group and the recognition of expected credit losses was inherently subjective and required the exercise of significant management's judgements and estimations.</p> <p>The significant accounting estimates and disclosures about the provision for expected credit losses on trade receivables are included in notes 3 and 32 to the consolidated financial statements.</p>	<p>Our audit procedures to assess the provision for expected credit losses on trade receivables included the following:</p> <ul style="list-style-type: none">• Obtained an understanding of, evaluated and tested the internal controls over management's assessment of ECLs on trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity of model and subjectivity of significant assumptions and data used;• Evaluated and tested the methodologies and data/parameters used by management, including the grouping of customer segments, historical loss information, probability of default, forward-looking factors and expected losses;• Executed substantive analytical review procedures by analysing the fluctuations of major customers' outstanding balances and trade receivable turnover days;• Assessed, on a sampling basis, the accuracy of the ageing report of trade receivables at 31 December 2025 prepared by management by comparing the sample items with the demand notes, sales invoices and other relevant underlying documentation;• Tested, on a sampling basis, the subsequent settlement of trade receivables to cash receipts and the related supporting documentation;• Tested the mathematical accuracy of the expected credit loss calculations; and• Assessed the adequacy of the disclosures related to ECLs of trade receivables.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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.

INDEPENDENT AUDITOR'S REPORT

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

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.

INDEPENDENT AUDITOR'S REPORT

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

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

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

From the matters communicated with the 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 Hui Kin Fai, Stephen (practising certificate number: P04796).

Ernst & Young

Certified Public Accountants

Hong Kong

26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	3,901,890	3,868,152
Cost of sales		(3,325,170)	(2,966,536)
Gross profit		576,720	901,616
Other income and gains, net	5	104,103	114,029
Administrative expenses		(291,245)	(296,362)
Net impairment losses on financial and contract assets	6	(24,477)	(15,572)
Impairment of goodwill	6	—	(236,866)
Finance costs	7	(3,501)	(5,307)
Share of profits and losses of joint ventures		1,264	961
PROFIT BEFORE TAX	6	362,864	462,499
Income tax expenses	11	(84,975)	(176,729)
PROFIT FOR THE YEAR		277,889	285,770
Attributable to:			
Owners of the Company		273,690	352,921
Non-controlling interests		4,199	(67,151)
		277,889	285,770
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	13		
Basic and diluted (expressed in RMB per share)		0.18	0.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
PROFIT FOR THE YEAR	277,889	285,770
OTHER COMPREHENSIVE (LOSS)/INCOME		
<i>Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(2,258)	1,445
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	(147)	(745)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	(2,405)	700
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	275,484	286,470
Attributable to:		
Owners of the Company	271,285	353,621
Non-controlling interests	4,199	(67,151)
	275,484	286,470

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	41,898	39,087
Right-of-use assets	15	85,338	113,743
Intangible assets	16	74,305	85,392
Investments in joint ventures		5,092	3,828
Equity investments designated at fair value through other comprehensive income	17	32,602	32,798
Deferred tax assets	24	50,574	16,388
Other non-current assets	19	62,777	33,388
Restricted bank deposits	20	24,468	63,280
Time deposits	21	1,380,000	2,230,000
Total non-current assets		1,757,054	2,617,904
CURRENT ASSETS			
Inventories		9,325	6,524
Trade receivables	18	849,282	773,364
Contract assets	4	109,642	114,467
Prepayments, other receivables and other assets	19	605,444	585,658
Prepaid income taxes		30,741	26,992
Restricted bank deposits	20	15,186	19,567
Time deposits	21	4,516	467,260
Cash and cash equivalents	20	3,521,782	2,004,599
Total current assets		5,145,918	3,998,431
CURRENT LIABILITIES			
Trade and bills payables	22	1,079,177	651,499
Other payables and accruals	23	1,393,913	1,380,519
Contract liabilities	4	647,756	748,268
Lease liabilities	15	55,748	71,910
Tax payable		7,172	29,414
Total current liabilities		3,183,766	2,881,610
NET CURRENT ASSETS		1,962,152	1,116,821
TOTAL ASSETS LESS CURRENT LIABILITIES		3,719,206	3,734,725

continued/...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		3,719,206	3,734,725
NON-CURRENT LIABILITIES			
Deferred tax liabilities	24	103,287	99,507
Lease liabilities	15	35,300	47,539
Total non-current liabilities		138,587	147,046
Net assets		3,580,619	3,587,679
Equity			
Equity attributable to owners of the Company			
Share capital	25	2,543,048	2,543,048
Other reserves	26	(261,433)	(273,317)
Retained earnings		1,234,299	1,232,644
		3,515,914	3,502,375
Non-controlling interests		64,705	85,304
Total equity		3,580,619	3,587,679

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the Company							Total equity RMB'000
	Share capital RMB'000 (note 25)	Statutory reserves RMB'000 (note 26)	Share-based	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
			payment reserves RMB'000 (note 26)					
At 1 January 2024	2,543,048	83,992	6,927	(387,161)	1,197,774	3,444,580	175,875	3,620,455
Profit for the year	—	—	—	—	352,921	352,921	(67,151)	285,770
Other comprehensive income/(loss) for the year:								
Exchange differences on translation of foreign operations	—	—	—	1,445	—	1,445	—	1,445
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	(745)	—	(745)	—	(745)
Total comprehensive income for the year	—	—	—	700	352,921	353,621	(67,151)	286,470
Shares repurchased	—	—	—	—	(34,304)	(34,304)	—	(34,304)
Transfer to statutory reserves	—	22,225	—	—	(22,225)	—	—	—
Final 2023 dividend declared	—	—	—	—	(120,606)	(120,606)	—	(120,606)
Interim 2024 dividend (note 12)	—	—	—	—	(140,916)	(140,916)	—	(140,916)
Dividend declared to a non-controlling shareholder	—	—	—	—	—	—	(23,420)	(23,420)
At 31 December 2024	2,543,048	106,217*	6,927*	(386,461)*	1,232,644	3,502,375	85,304	3,587,679
At 1 January 2025	2,543,048	106,217	6,927	(386,461)	1,232,644	3,502,375	85,304	3,587,679
Profit for the year	—	—	—	—	273,690	273,690	4,199	277,889
Other comprehensive loss for the year:								
Exchange differences on translation of foreign operations	—	—	—	(2,258)	—	(2,258)	—	(2,258)
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	(147)	—	(147)	—	(147)
Total comprehensive income for the year	—	—	—	(2,405)	273,690	271,285	4,199	275,484
Shares repurchased	—	—	—	—	(23,346)	(23,346)	—	(23,346)
Contribution from a non-controlling interest	—	—	—	—	—	—	1,500	1,500
Transfer to statutory reserves	—	14,289	—	—	(14,289)	—	—	—
Final 2024 dividend declared (note 12)	—	—	—	—	(114,062)	(114,062)	—	(114,062)
Interim 2025 dividend (note 12)	—	—	—	—	(120,338)	(120,338)	—	(120,338)
Dividend declared to non-controlling shareholders	—	—	—	—	—	—	(26,298)	(26,298)
At 31 December 2025	2,543,048	120,506*	6,927*	(388,866)*	1,234,299	3,515,914	64,705	3,580,619

* These reserve accounts comprise the debit balance of other reserves of RMB261,433,000 (2024: RMB273,317,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		362,864	462,499
Adjustments for:			
Finance costs	7	3,501	5,307
Depreciation of property, plant and equipment	14	13,729	13,938
Depreciation of right-of-use assets	15	70,216	78,328
Amortisation of intangible assets	16	12,954	13,177
Net impairment loss on financial and contract assets	6	24,477	15,572
Impairment of goodwill	6	—	236,866
Gain on disposal of property, plant and equipment	5	(991)	(143)
Gain on disposal of right-of-use assets	15	—	(1,754)
Share of profits and losses of joint ventures		(1,264)	(961)
Interest income		(84,683)	(40,843)
Net foreign exchange losses/(gains)	5	919	(711)
		401,722	781,275
(Increase)/decrease in inventories		(2,801)	3,756
Increase in trade receivables		(97,979)	(209,168)
Increase in prepayments, other receivables and other assets		(26,935)	(129,870)
Decrease/(increase) in contract assets		5,124	(39,938)
Increase in trade and bills payables		427,678	252,222
Increase/(decrease) in other payables and accruals		557	(6,139)
Decrease in contract liabilities		(100,512)	(60,464)
Decrease/(increase) in restricted bank deposits		43,193	(42,188)
Cash generated from operations		650,047	549,486
Income tax paid		(141,323)	(159,498)
Net cash flows from operating activities		508,724	389,988

continued/...

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Net cash flows from operating activities		508,724	389,988
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(16,952)	(16,714)
Purchases of intangible assets		(1,880)	(2,514)
Proceeds from disposal of property, plant and equipment		1,416	445
Increase in time deposits		(1,338,305)	(3,285,970)
Proceeds from disposal of time deposits		2,710,777	597,772
Net cash flows from/(used in) investing activities		1,355,056	(2,706,981)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital injections from a non-controlling interest		1,500	—
Dividends paid to shareholders and non-controlling interests	27(b)	(247,191)	(261,522)
Shares repurchased		(24,016)	(33,634)
Principal elements and interest elements of lease payments	27(b)	(73,713)	(80,612)
Net cash flows used in financing activities		(343,420)	(375,768)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		2,004,599	4,695,204
Effect of foreign exchange rate changes, net		(3,177)	2,156
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,521,782	2,004,599
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	3,561,436	2,087,446
Less: Restricted bank deposits	20	(39,654)	(82,847)
Cash and cash equivalents as stated in the statement of financial position and cash flows	20	3,521,782	2,004,599

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. GENERAL INFORMATION

Yuexiu Services Group Limited (the “Company”) and its subsidiaries (together, the “Group”) are primarily engaged in the provision of non-commercial property management and value-added services and commercial property management and operational services in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in Hong Kong on 8 October 2020. The address of its registered office is 26/F, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

The Group was spun off from Yuexiu Property Company limited (“Yuexiu Property”) and separately listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 June 2021. After the listing of the Company, Yuexiu Property remains the controlling shareholder of the Group.

In the opinion of the directors, the ultimate holding company of the Company is Guangzhou Yue Xiu Holdings Limited, which is incorporated in Chinese mainland.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples which has had no significant impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

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

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

³ No mandatory effective date yet determined but available for adoption

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

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

Except for HKFRS 18, the Group considers that the other new and amended standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES

Investments in joint ventures

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

The Group's investments in joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

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

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

Business combinations and goodwill

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

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

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

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties

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

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

or

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

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

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

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

Building	25 to 40 years
Furniture, fixtures and equipment	3 to 5 years
Leasehold improvements	3 to 5 years
Vehicles	5 years

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

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

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

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

Customer relationship and software

Each of the following intangible assets with finite life is stated at cost less any impairment losses and is amortised on the straight-line basis to write off the cost of each of these intangible assets over its respective estimated useful life of:

Customer relationship	7 to 10 years
Computer software	2 to 5 years

Research and development costs

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

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

Leases

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Group as a lessee

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

(a) Right-of-use assets

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

Buildings	2 to 6 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Group as a lessee (Continued)

(c) Short-term leases

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

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, and fair value through other comprehensive income.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Derecognition of financial assets

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

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

General approach

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

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

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

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

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

Stage 1	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables.

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

The Group's financial liabilities include trade and bill payables, other payables and accruals and lease liabilities.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and bill payables and other payables and accruals)

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

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

Derecognition of financial liabilities

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventories on the basis of weighted average costs. Costs of the purchased inventories are determined after deducting rebates and discounts. 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.

Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

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

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

The Group provides non-commercial property management and value-added services, and commercial property management and operational services. Depending on the terms of the contracts and the laws that apply to the contract, control of services may be transferred over time or at a point in time. Except for commission income from carpark space sales assistance services, revenue from pre-owned estate agency services and revenue from sales of goods, which are recognised at a point of time, the Group's revenue is mainly recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group generally uses the straight-line basis or input method to measure progress towards complete satisfaction of the services.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Non-commercial property management and value-added services

The Group provides non-commercial property management services and value-added services in Chinese mainland and Hong Kong, including property management services in respect of residential properties, public premises and industrial parks, value-added services to non-property owners and community value-added services.

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

- For non-commercial property management service income provided under a lump sum basis, where the Group acts as a principal and is primary responsible for providing the property management services to the property owners, the Group recognises the fees received or receivable from property owners as its revenue and all related property management costs as its cost of services.
- For non-commercial property management service income provided under a commission basis, the Group acts as an agent and is primarily responsible for arranging and monitoring the services as provided by other suppliers to the property owners. The Group recognises the commission as its revenue, which is calculated by a certain fixed amount or percentage of the total property management fees received or receivable from the property units.

Value-added services to non-property owners mainly include (i) the provision of sales office and display unit management and pre-delivery support services which are billed on a monthly basis and are recognised as revenue over time when such services are rendered; (ii) carpark space sales assistance services which are recognised as revenue at the point in time when the underlying sales contracts are signed; (iii) preliminary planning and design consultancy services which are recognised as revenue over time when such services are rendered; (iv) integrated design for intelligent system and related services which are recognised as revenue over time when such services are rendered; (v) revenue from sales of goods is recognised at the point in time when the Group delivers the goods to the customers; and (vi) revenue from other value-added services which is charged for each service provided and recognised when the relevant services are rendered.

Community value-added services revenue mainly include (i) revenue from home-living services which is charged for each service provided and recognised over time when the relevant services are rendered; (ii) revenue from space operation services which is recognised over time when the services are rendered; (iii) revenue from pre-owned estate agency services which are recognised at the point in time when the estate sales contracts are signed; (iv) revenue from decoration services which is recognised over time when the services are rendered; (v) revenue from sales of goods is recognised at the point in time when the Group delivers the goods to the customers; and (vi) revenue from other community value-added services which is charged for each service provided and recognised when the relevant services are rendered.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(b) Commercial property management and operational services

The Group enters into commercial property management and operational service contracts with property developers or owners of office buildings, shopping malls and wholesale markets, pursuant to which the Group provides the following services:

- commercial operation and management services provided to property owners, developers and tenants, including commercial property management services and other value-added services; and
- market positioning consultancy and tenant sourcing services to property developers and property owners, including market positioning and management consultancy services and tenant sourcing services.

Commercial property management services provided to property owners, developers and tenants are provided under a lump sum basis or commission basis. Under a lump sum basis, the Group acts as a principal, revenue is recognised on a gross basis when the related services are rendered and all the related management costs are recognised as its cost of services. Under a commission basis, the Group acts as an agent and is primarily responsible for arranging and monitoring the services as provided by other suppliers to the property owners, developers and tenants, the Group recognises the commission as its revenue, which is calculated by a certain fixed amount or percentage of the total commercial property management fees received or receivable from the property units.

Revenue from market positioning and management consultancy services is recognised over time when relevant services are rendered to property developers or owners.

For tenant sourcing services and other value-added services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

Revenue from other sources

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

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

Share-based payments

Share-based compensation benefits are provided to employees via employee share option scheme. Information relating to these schemes is set out in note 26.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Employee options

The fair value of options granted under the employee option plan is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related services are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Pension obligations

The Group participates in various defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions calculated as a percentage of the employees' salaries into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Other employee benefits (Continued)

Housing funds, medical insurances and other social insurances

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

Termination benefits

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

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

These financial statements are presented in Renminbi, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Renminbi at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Renminbi at the weighted average exchange rates for the year.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

JUDGEMENTS

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

Principal versus agent considerations

The Group determines whether it is a principal or an agent in providing property management and value-added services and operational services by evaluating the nature of its promise to the customer. If the Group controls promised services before transferring the services to the customer, the Group is a principal and therefore records revenue on a gross basis. Otherwise, if the role of the Group is to arrange to provide the services, the Group is an agent and records as revenue the net amount that it retains. To assess whether the Group controls the services before they are transferred to the customer, the Group has considered various factors, including but not limited to whether the Group is (i) the primary obligor in the arrangement, (ii) has general inventory risk, and (iii) has discretion in establishing the selling price.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB104,715,000 (2024: RMB76,973,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB18,792,000. Further details on deferred taxes are disclosed in note 24 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

ESTIMATION UNCERTAINTY

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

Leases – Estimating the incremental borrowing rate

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

Expected credit losses on trade and other receivables

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

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and impairment losses of financial assets in the periods in which such estimate has been changed. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the expected credit losses on the Group’s trade and other receivables is disclosed in note 32 to the financial statements.

Estimation of goodwill impairment

The Group tests whether goodwill is impaired at least on an annual basis. The recoverable amounts of cash-generating units (“CGUs”) to which the goodwill is allocated were determined based on value-in-use (“VIU”) calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated long-term growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates. The discount rate used is pre-tax and reflects specific risks relating to the relevant industry.

Details of impairment test, key assumptions and the impact of possible changes in key assumptions are disclosed in note 16 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

ESTIMATION UNCERTAINTY (CONTINUED)

Estimation of the useful life of customer relationships

The Group's customer relationships included in intangible assets (note 16) were identified in the business combination that the Group acquired target companies from Guangzhou Metro Group Co., Ltd. ("GZ Metro"). As at the acquisition date, customer relationships for the contracts from GZ Metro amounting to RMB88,273,000 have finite useful life of 10 years. Other than those contracts from GZ Metro, customer relationships amounting to RMB4,099,000 have finite useful life of 7 years.

The revenue of target companies mainly comes from non-commercial property management and value-added services, including metro property management and operational services. Based on the target companies' experience, for metro property management and operational service contacts from GZ Metro, contract termination rarely happened. It is expected that the target companies are likely to provide continuous service for certain projects over 10 years. For contacts from customers other than GZ Metro, taking into account historical attrition rate, the management expects that those contacts will make revenue contribution for at least 7 years. All of the property management and operational service contacts will form stable customer relationships and continue to contribute revenue in the future. The management considers that the estimated useful life of customer relationships of the target companies is consistent with the industry experience.

4. OPERATING SEGMENT INFORMATION

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

The Group has two reportable operating segments, including non-commercial property management and value-added services, commercial property management and operational services.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(a) SEGMENT REVENUE AND RESULTS

Segment results represent the profit earned by each segment without other income and gains, net, unallocated operating costs, finance costs and income tax expenses. Revenue recognised at a point in time from contracts with customers mainly represents commission income from carpark space sales assistance services and estate agency services and revenue from sales of goods. Other revenue from contracts with customers is recognised over time.

The following is the analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2025	Non-commercial property management and value- added services RMB'000	Commercial property management and operational services RMB'000	Total RMB'000
Segment revenue			
Revenue from contracts with customers			
– At a point in time	547,270	—	547,270
– Over time	2,606,082	748,101	3,354,183
Revenue from other sources	—	437	437
Total segment revenue	3,153,352	748,538	3,901,890
Segment results	171,134	101,338	272,472
Other income and gains, net			104,103
Unallocated operating costs			(10,210)
Finance costs			(3,501)
Income tax expenses			(84,975)
Profit for the year			277,889
Segment results include:			
Depreciation	36,324	47,621	83,945
Amortisation	12,954	—	12,954
Net impairment losses on financial and contract assets	24,403	74	24,477
Share of profits and losses of joint ventures	1,264	—	1,264

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(a) SEGMENT REVENUE AND RESULTS (CONTINUED)

The following is the analysis of the Group's revenue and results by operating and reportable segments: (continued)

For the year ended 31 December 2024	Non-commercial property management and value-added services RMB'000	Commercial property management and operational services RMB'000	Total RMB'000
Segment revenue			
Revenue from contracts with customers			
– At a point in time	611,297	—	611,297
– Over time	2,522,939	733,504	3,256,443
Revenue from other sources	—	412	412
Total segment revenue	<u>3,134,236</u>	<u>733,916</u>	<u>3,868,152</u>
Segment results			
	203,686	160,356	364,042
Other income and gains, net			114,029
Unallocated operating costs			(10,265)
Finance costs			(5,307)
Income tax expenses			<u>(176,729)</u>
Profit for the year			<u>285,770</u>
Segment results include:			
Depreciation	37,789	54,477	92,266
Amortisation	13,177	—	13,177
Net impairment losses on financial and contract assets	15,937	(365)	15,572
Impairment of goodwill	236,866	—	236,866
Share of profits and losses of joint ventures	<u>961</u>	<u>—</u>	<u>961</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(a) SEGMENT REVENUE AND RESULTS (CONTINUED)

An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 is as follows:

	2025 RMB'000	2024 RMB'000
Non-commercial property management and value-added services		
– Property management services	1,499,002	1,236,278
– Value-added services to non-property owners	691,072	680,808
– Community value-added services	963,278	1,217,150
Subtotal	3,153,352	3,134,236
Commercial property management and operational services		
– Commercial operation and management services	616,677	630,404
– Market positioning consultancy and tenant sourcing services	131,861	103,512
Subtotal	748,538	733,916
Total	3,901,890	3,868,152

The Group had a large number of customers, other than ultimate holding company, intermediate holding company, fellow subsidiaries, associates and joint ventures of Yuexiu Property and non-controlling interest of Yuexiu Property and its subsidiaries, none of the customers contributed 10% or more of the Group's revenue for the years ended 31 December 2025 and 2024.

(b) SEGMENT ASSETS AND LIABILITIES

Segment assets and liabilities are allocated based on the operations of the segment. The Group's equity investments designated at fair value through other comprehensive income ("Equity investments at FVOCI"), prepaid income taxes, deferred tax assets, deferred tax liabilities, tax payable and other corporate assets and liabilities are not directly attributable to segments as they are managed on a group basis.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(b) SEGMENT ASSETS AND LIABILITIES (CONTINUED)

The segment assets and liabilities of the Group as at 31 December 2025 and 2024 are as follows:

31 December 2025	Non-commercial property management and value-added services RMB'000	Commercial property management and operational services RMB'000	Total RMB'000
Segment assets	4,430,856	1,352,579	5,783,435
Equity investments at FVOCI			32,602
Prepaid income taxes			30,741
Deferred tax assets			50,574
Other corporate assets			1,005,620
Total assets			<u>6,902,972</u>
Segment liabilities	2,639,767	563,986	3,203,753
Deferred tax liabilities			103,287
Tax payable			7,172
Other corporate liabilities			8,141
Total liabilities			<u>3,322,353</u>
Investments in joint ventures	5,092	—	5,092
Capital expenditure*	<u>32,156</u>	<u>30,748</u>	<u>62,904</u>

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and right-of-use assets.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(b) SEGMENT ASSETS AND LIABILITIES (CONTINUED)

The segment assets and liabilities of the Group as at 31 December 2025 and 2024 are as follows:(continued)

31 December 2024	Non- commercial property management and value- added services RMB'000	Commercial property management and operational services RMB'000	Total RMB'000
Segment assets	4,008,696	1,271,255	5,279,951
Equity investments at FVOCI			32,798
Prepaid income taxes			26,992
Deferred tax assets			16,388
Other corporate assets			1,260,206
Total assets			6,616,335
Segment liabilities	2,344,376	542,522	2,886,898
Deferred tax liabilities			99,507
Tax payable			29,414
Other corporate liabilities			12,837
Total liabilities			3,028,656
Investments in joint ventures	3,828	—	3,828
Capital expenditure*	58,388	57,699	116,087

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and right-of-use assets.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) GEOGRAPHICAL DISTRIBUTION

Revenue from external customers by geographical location is as follows:

	2025 RMB'000	2024 RMB'000
Chinese mainland	3,799,456	3,766,996
Hong Kong	102,434	101,156
Total	3,901,890	3,868,152

Non-current assets (other than equity investments at FVOCI and deferred tax assets) located by geographical location are as follows:

	2025 RMB'000	2024 RMB'000
Chinese mainland	1,626,215	2,511,065
Hong Kong	47,663	57,653
Total	1,673,878	2,568,718

(d) CONTRACT ASSETS

The Group has recognised the following assets related to contracts with customers:

	2025 RMB'000	2024 RMB'000
Contract assets relating to construction contracts		
– Related parties (note 29(d))	80,536	81,636
– Third parties	31,392	35,416
Less: allowance for impairment of contract assets (note 32)	(2,286)	(2,585)
Total	109,642	114,467

(i) Significant changes in contract assets

As at 31 December 2025, contract assets had no significant change due to the ongoing provision of value-added services at the end of each of the years. The Group also recognised a loss allowance for contract assets following the adoption of HKFRS 9, see note 32 for further information.

(ii) As at 31 December 2025 and 31 December 2024, the amount of contract assets is expected to be completed within one year.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(e) CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	2025 RMB'000	2024 RMB'000
Contract liabilities		
– Related parties (note 29(d))	53,039	115,360
– Third parties	594,717	632,908
Total	647,756	748,268

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from advance payments made by customers while the underlying services are yet to be provided. Such liabilities decreased as at 31 December 2025 as a result of the recognition of revenue arising from a contract liability.

(ii) Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2025 RMB'000	2024 RMB'000
Non-commercial property management and value-added services	731,946	694,128
Commercial property management and operational services	16,322	19,640
Total	748,268	713,768

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(f) PERFORMANCE OBLIGATIONS

Information about the Group's performance obligations is summarised below:

Property management services

The Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts do not have a fixed term.

Value-added services and operational services

Except for carpark space sales assistance services, estate agency services and sales of goods, which are satisfied at a point of time, the Group's other value-added services and operational services are mainly satisfied over time. The payment is generally due when the services are rendered or after the date of billing.

The following table shows unsatisfied performance obligations resulting from fixed-price decoration services contracts:

	2025 RMB'000	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	—	123,578

The amount disclosed above does not include variable consideration which is constrained. All other decoration services contracts are for periods of one year or less or are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net is as follows:

	2025 RMB'000	2024 RMB'000
Interest income from bank deposits	94,120	106,712
Dividend income from equity investments at FVOCI	—	1,232
Government grants (note (a))	2,318	2,713
Penalty income	1,489	1,646
Net foreign exchange (losses)/gains	(919)	711
Gains on disposal of property, plant and equipment and intangible assets	991	143
Others	6,104	872
Total	104,103	114,029

(a) The government grants obtained by the Group were primarily employment subsidies. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Gardening and cleaning		700,693	528,270
Subcontractor costs for decoration and other services		447,659	555,203
Maintenance costs		324,612	268,228
Cost of goods sold		313,876	226,266
Cost of labour dispatch services		303,995	228,254
Depreciation of property, plant and equipment	14	13,729	13,938
Depreciation of right-of-use assets	15	70,216	78,328
Amortisation of intangible assets	16	12,954	13,177
Research and development costs		15,788	11,322
Impairment of goodwill	16	—	236,866
Short-term lease payments	15	52,111	40,579
Auditors' remuneration			
– Audit services		1,620	1,520
– Non-audit services		660	660
Employee benefit expense:			
Wages, salaries and bonuses		706,273	692,350
Pension scheme contributions (note (a))		165,781	139,412
Other employee benefits (note (b))		41,807	60,103
Total		913,861	891,865

NOTES TO FINANCIAL STATEMENTS

31 December 2025

6. PROFIT BEFORE TAX (CONTINUED)

	Notes	2025 RMB'000	2024 RMB'000
Impairment losses on financial and contract assets, net	32		
– Trade receivables		22,061	9,328
– Contract assets		(299)	1,145
– Prepayments, other receivables and other assets		2,715	5,099
Total		24,477	15,572
Dividend income from equity investments at FVOCI*	5	—	(1,232)
Bank interest income*	5	(94,120)	(106,712)

* These items are included in "Other income and gains, net" in the consolidated statement of profit or loss.

- (a) Employees in the Group's subsidiaries in Chinese mainland are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's subsidiaries in Chinese mainland contribute funds which are calculated on a certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees. Other than the monthly contributions, the Group pays contributions to privately administered pension insurance plans.

During the year ended 31 December 2025, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2024: Nil).

- (b) Other employee benefits mainly represent employee welfare funds, staff education funds and staff union funds.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

7. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expense on lease liabilities	3,501	5,307

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fee	648	648
Other emoluments:		
Salaries, allowances and benefits in kind	2,529	1,663
Performance-related bonuses	2,925	2,092
Pension scheme contributions	513	399
Subtotal	5,967	4,154
Total	6,615	4,802

NOTES TO FINANCIAL STATEMENTS

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

The directors received emoluments from the Group for the year ended 31 December 2025 as follows:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance- related bonuses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive Directors					
Mr. Wang Jianhui	—	1,250	1,383	145	2,778
Mr. Zhang Chenghao	—	702	847	182	1,731
Mr. Zhang Jin	—	577	695	186	1,458
Non-executive Directors					
Mr. Zhu Huisong (resigned on 22 May 2025) (note (i))	—	—	—	—	—
Mr. Jiang Guoxiong (appointed on 22 May 2025) (note (i))	—	—	—	—	—
Mr. Yang Zhaoxuan (note (i))	—	—	—	—	—
Mr. Zhang Jianguo (resigned on 8 September 2025) (note (i))	—	—	—	—	—
Independent Non-executive Directors					
Ms. Hui Lai Kwan	216	—	—	—	216
Mr. Hung Shing Ming	216	—	—	—	216
Mr. Leung Yiu Man	216	—	—	—	216
Total	648	2,529	2,925	513	6,615

NOTES TO FINANCIAL STATEMENTS

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

The directors received emoluments from the Group for the year ended 31 December 2024 as follows:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance- related bonuses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive Directors					
Mr. Zhang Jianguo (resigned on 11 September 2024) (note (i))	—	—	—	—	—
Mr. Wang Jianhui (appointed on 11 September 2024)	—	384	457	47	888
Mr. Zhang Chenghao	—	702	785	174	1,661
Mr. Zhang Jin	—	577	850	178	1,605
Non-executive Directors					
Mr. Lin Feng (resigned on 24 April 2024) (note (i))	—	—	—	—	—
Mr. Zhu Huisong (appointed on 24 April 2024) (note (i))	—	—	—	—	—
Mr. Yao Xiaosheng (resigned on 11 September 2024) (note (i))	—	—	—	—	—
Mr. Yang Zhaoxuan (note (i))	—	—	—	—	—
Mr. Zhang Jianguo (appointed on 11 September 2024) (note (i))	—	—	—	—	—
Independent Non-executive Directors					
Ms. Hui Lai Kwan	216	—	—	—	216
Mr. Hung Shing Ming	216	—	—	—	216
Mr. Leung Yiu Man	216	—	—	—	216
Total	648	1,663	2,092	399	4,802

- (i) The emoluments of the Mr. Zhu Huisong, Mr. Jiang Guoxiong, Mr. Yang Zhaoxuan, Mr. Zhang Jianguo, Mr. Lin Feng and Mr. Yao Xiaosheng, in relation to their services rendered for the Group for the years ended 31 December 2025 and 2024 were borne by related parties of the Group. Their emoluments were not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.

None of the directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

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31 December 2025

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose emoluments were the highest in the Group included 3 (2024: 3) directors for the year ended 31 December 2025, whose emoluments are reflected in the analysis shown in Note 8. The emoluments payable to the remaining 2 (2024: 2) individuals during the year ended 31 December 2025 are as follows:

	2025 RMB'000	2024 RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	1,035	1,042
Discretionary bonuses	1,132	1,222
Pension scheme contributions	363	320
Total	2,530	2,584

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands		
Hong Kong Dollar ("HKD") 1,000,001 to HKD1,500,000	2	2
HKD1,500,001 to HKD2,000,000	—	—
HKD2,000,001 to HKD2,500,000	—	—
Total	2	2

10. SUBSIDIARIES

The subsidiaries of the Group as at 31 December 2025 and 2024 are as follows:

Company name	Place of incorporation and kind of legal entity	Registered/issued and paid-up capital	Principal activities and place of operation	Ownership interest attributable to the Group	
				2025	2024
Directly held by the Company:					
Golden Estates Development Limited	The BVI, Limited liability company	United States Dollar ("USD") 2	Investment holding in BVI	100%	100%
Zippenes Limited	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Brander Limited	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Richardland Limited	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Greater Rich Group Limited	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Digital Victor Holdings limited	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Smart Value Enterprises Limited	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Major Benefit Management Ltd.	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Ever Famous Investments Ltd.	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Winner Zone Holdings Ltd.	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
All Plus Enterprises Ltd.	The BVI, Limited liability company	USD2	Investment holding in BVI	100%	100%
Guangzhou Yuexiu Service Co., Ltd.	Chinese mainland, Limited liability company	RMB850,000,000	Investment holding in Chinese mainland	100%	100%

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31 December 2025

10. SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group as at 31 December 2025 and 2024 are as follows: (Continued)

Company name	Place of incorporation and kind of legal entity	Registered/issued and paid-up capital	Principal activities and place of operation	Ownership interest attributable to the Group	
				2025	2024
Indirectly held by the Company:					
Guangzhou Yuexiu Property Development Co., Ltd.	Chinese mainland, Limited liability company	RMB100,000,000	Property management in Chinese mainland	100%	100%
Guangzhou City Construction & Development Weicheng Enterprise Ltd.	Chinese mainland, Limited liability company	RMB955,300	Property management in Chinese mainland	100%	100%
Guangzhou Yueguan Intelligent Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB20,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Yuexiuhui Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Weicheng Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB600,000	Property management in Chinese mainland	100%	100%
Guangzhou Wanlian Property Management Operation Co., Ltd.	Chinese mainland, Limited liability company	RMB600,000	Property management in Chinese mainland	100%	100%
Guangzhou City Yuexiu Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Property management in Chinese mainland	60%	60%
Yuexiu Property (Shandong) Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	100%	100%
Zhongshan Yuexiu Real Estate Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	100%	100%
Yuexiu Property (Jiangmen) Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	100%	100%
Jiangmen Yuexiu Riverside Property Service Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	67%	67%
Wuhan Modern Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB500,000	Property management in Chinese mainland	70%	70%

NOTES TO FINANCIAL STATEMENTS

31 December 2025

10. SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group as at 31 December 2025 and 2024 are as follows: (continued)

Company name	Place of incorporation and kind of legal entity	Registered/issued and paid-up capital	Principal activities and place of operation	Ownership interest attributable to the Group	
				2025	2024
Indirectly held by the Company:					
(continued)					
Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd.	Chinese mainland, Limited liability company	RMB100,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Yuexiu Commercial Management Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd. ("GZYXJLL")	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	80%	80%
Guangzhou Baima Business Operation Management Co., Ltd.	Chinese mainland, Limited liability company	RMB19,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Zhonggang Leather Trading Centre Business Operation Management Co., Ltd.	Chinese mainland, Limited liability company	RMB10,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Kangsai Economic Information Consulting Co., Ltd.	Chinese mainland, Limited liability company	RMB10,000,000	Interior decoration in Chinese mainland	100%	100%
Guangzhou Lexi Industrial Development Co., Ltd.	Chinese mainland, Limited liability company	RMB50,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Yueting International Economic Information Consulting Co., Ltd.	Chinese mainland, Limited liability company	RMB10,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Lianxiu Economic Information Consulting Co., Ltd.	Chinese mainland, Limited liability company	RMB10,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Metro Environmental Engineering Co., Ltd. ("GZMEE")	Chinese mainland, Limited liability company	RMB10,060,000	Agency in Chinese mainland	67%	67%
Guangzhou Metro Property Management Co., Ltd. ("GZMPM") (i)	Chinese mainland, Limited liability company	RMB5,010,000	Security service in Chinese mainland	67%	67%

NOTES TO FINANCIAL STATEMENTS

31 December 2025

10. SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group as at 31 December 2025 and 2024 are as follows: (continued)

Company name	Place of incorporation and kind of legal entity	Registered/issued and paid-up capital	Principal activities and place of operation	Ownership interest attributable to the Group	
				2025	2024
Indirectly held by the Company:					
(continued)					
Guangyue Property Management (Guangzhou) Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Property management in Chinese mainland	60%	60%
Zhejiang Yuexiu Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB10,000,000	Property management in Chinese mainland	100%	100%
Yuexiu (Wuhan) Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	100%	100%
Yuexiu Property (Shenyang) Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Chengbin Property Management Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	100%	100%
Guang Zhou Yue Meiju Industrial Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Interior decoration in Chinese mainland	100%	100%
Wuxi Yuexiu Property Development Co., Ltd.	Chinese mainland, Limited liability company	RMB2,000,000	Property management in Chinese mainland	51%	51%
Ningbo Yuexiu Property Service Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Haiyue Property Service Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Agency in Chinese mainland	100%	100%
Guangdong Yue zhi Dun Security Service Co., Ltd.	Chinese mainland, Limited liability company	RMB12,000,000	Security service in Chinese mainland	100%	100%

NOTES TO FINANCIAL STATEMENTS

31 December 2025

10. SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group as at 31 December 2025 and 2024 are as follows: (continued)

Company name	Place of incorporation and kind of legal entity	Registered/issued and paid-up capital	Principal activities and place of operation	Ownership interest attributable to the Group	
				2025	2024
Indirectly held by the Company:					
(continued)					
Guangzhou Yueyun Wisdom Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB8,000,000	Property management in Chinese mainland	100%	100%
Hubei Yuexiu Construction Operation Management Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	51%	51%
Zhengzhou Jinyue Property Service Co. Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	51%	51%
Guangzhou Tianhe District Yuefu Real Estate Brokerage Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Hangzhou Yuefu Real Estate Brokerage Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Guangzhou Nansha District Yuefu Real Estate Brokerage Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Suzhou Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Guangzhou Yuexiu South Intelligence Media Commercial Operation Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	60%	60%
Guangzhou Yuexing Real estate Consulting Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Contract consulting Service in Chinese mainland	100%	100%
Jiangmen Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Zhongshan Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Foshan Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Wuxi Yixiu Property Development Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	40.8%	40.8%

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31 December 2025

10. SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group as at 31 December 2025 and 2024 are as follows: (continued)

Company name	Place of incorporation and kind of legal entity	Registered/issued and paid-up capital	Principal activities and place of operation	Ownership interest attributable to the Group	
				2025	2024
Indirectly held by the Company:					
(continued)					
Yantai Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Qingdao Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Wuhan Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Chengdu Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Shenyang Yuefu Real Estate Agency Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Agency in Chinese mainland	100%	100%
Guangzhou Yuexiu Yunyue Property Services Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Property management in Chinese mainland	100%	100%
Wuhan City Yuexiu Hanjin City Operation Services Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	51%	51%
Guangzhou Yuexiu Cultural Tourism Development Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	100%	100%
Hainan Yuexiu Kaiwei Property Services Co., Ltd.	Chinese mainland, Limited liability company	RMB2,000,000	Property management in Chinese mainland	51%	51%
Guangzhou Yuexiu Fanyue Property Service Co., Ltd (Former name: Guangzhou City Bingxin Property Management Co., Ltd.)	Chinese mainland, Limited liability company	RMB6,000,000	Property management in Chinese mainland	100%	100%
Guangzhou Yuejia Real Estate Consulting Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Consulting services in Chinese mainland	100%	100%
Guangzhou Yuexiu Yicheng South District Commercial Operation Management Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Guangzhou Yueao Elevator Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB10,000,000	Commercial service in Chinese mainland	51%	51%

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31 December 2025

10. SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group as at 31 December 2025 and 2024 are as follows: (continued)

Company name	Place of incorporation and kind of legal entity	Registered/issued and paid-up capital	Principal activities and place of operation	Ownership interest attributable to the Group	
				2025	2024
Indirectly held by the Company:					
(continued)					
Guangzhou Yuexiu Wanggu City Service Co., Ltd.	Chinese mainland, Limited liability company	RMB3,000,000	Commercial service in Chinese mainland	51%	51%
Chongqing Yuyue Property Service Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Commercial service in Chinese mainland	51%	51%
Guangzhou Yueyang Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Guangzhou Yueshun Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Hangzhou Yuechen Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Guangzhou Nansha Yuemin Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Wuhan Yuepin Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Sichuan Yuejiaxiang Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Zhongshan Yuegao Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Qingdao Yuefu Information Technology Co., Ltd.	Chinese mainland, Limited liability company	RMB1,000,000	Commercial service in Chinese mainland	100%	100%
Suzhou Yuequ Commercial Property Management Co., Ltd	Chinese mainland, Limited liability company	RMB3,000,000	Commercial service in Chinese mainland	100%	100%
Yuexiu (Tianjin) Commercial Operation Management Co., Ltd.	Chinese mainland, Limited liability company	RMB5,000,000	Property management in Chinese mainland	70%	—
Link Access Limited	Hong Kong, Limited liability company	HKD10,868,175	Investment holding in Hong Kong	100%	100%
Fort Fortune Limited	Hong Kong, Limited liability company	HKD10,980,906	Investment holding in Hong Kong	100%	100%

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31 December 2025

10. SUBSIDIARIES (CONTINUED)

The subsidiaries of the Group as at 31 December 2025 and 2024 are as follows: (continued)

Company name	Place of incorporation and kind of legal entity	Registered/issued and paid-up capital	Principal activities and place of operation	Ownership interest attributable to the Group	
				2025	2024
Indirectly held by the Company:					
(continued)					
Broadland International Limited	Hong Kong, Limited liability company	HKD21,299,853	Investment holding in Hong Kong	100%	100%
Fort Yield Limited	Hong Kong, Limited liability company	HKD1,604,782	Investment holding in Hong Kong	100%	100%
Health International Limited	Hong Kong, Limited liability company	HKD1	Investment holding in Hong Kong	100%	100%
Affirm Greatest Limited	Hong Kong, Limited liability company	HKD1	Investment holding in Hong Kong	100%	100%
Tristate Investment Development Limited	Hong Kong, Limited liability company	HKD1	Investment holding in Hong Kong	100%	100%
Yue Xiu APT Parking Limited	Hong Kong, Limited liability company	HKD28,010,000	Property Management in Hong Kong	100%	100%
Yue Xiu Property Management Limited	Hong Kong, Limited liability company	HKD10,000	Property Management in Hong Kong	100%	100%
Pine Tech Corporation Limited	Hong Kong, Limited liability company	HKD1	Investment holding in Hong Kong	100%	100%
Tri-Full Limited	Hong Kong, Limited liability company	HKD1	Investment holding in Hong Kong	100%	100%
Fortune Choice (China) Limited	Hong Kong, Limited liability company	HKD1	Investment holding in Hong Kong	100%	100%
Shun Hing (China) Limited	Hong Kong, Limited liability company	HKD1	Investment holding in Hong Kong	100%	100%

(i) GZMPM is a wholly-owned subsidiary of GZMEE (collectively, the "GZMEE Group").

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10. SUBSIDIARIES (CONTINUED)

SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Set out below is the summarised financial information for the subsidiaries that have material non-controlling interests to the Group. The amounts disclosed for the subsidiaries are before inter-company eliminations.

Summarised consolidated financial position	GZMEE Group	
	2025 RMB'000	2024 RMB'000
Current assets	307,990	317,466
Current liabilities	(256,058)	(202,070)
Current net assets	51,932	115,396
Non-current assets	56,966	63,356
Non-current liabilities	(13,585)	(15,220)
Non-current net assets	43,381	48,136
Net assets	95,313	163,532
Accumulated non-controlling interests ("NCI")	36,700	58,668

Summarised consolidated statement of comprehensive income	GZMEE Group	
	2025 RMB'000	2024 RMB'000
Revenue	362,818	378,263
Profit for the year	4,650	25,688
Other comprehensive income	—	—
Total comprehensive income	4,650	25,688
Profit allocated to NCI	1,535	8,477
Impairment of goodwill allocated to NCI	—	(78,166)
Dividends paid to NCI	33,736	—

Summarised cash flows	GZMEE Group	
	2025 RMB'000	2024 RMB'000
Cash flows from operating activities	20,479	36,741
Cash flows used in investing activities	(2,780)	(1,880)
Cash flows used in financing activities	(36,126)	(1,951)
Net (decrease)/increase in cash and cash equivalents	(18,427)	32,910

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11. INCOME TAX

	2025 RMB'000	2024 RMB'000
Current income tax	115,332	158,647
Deferred income tax (note 24)	(30,357)	18,082
Total	84,975	176,729

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

	2025 RMB'000	2024 RMB'000
Profit before tax	362,864	462,499
Tax calculated at corporate income tax rate of 25%	90,716	115,625
Effect of different tax rates applicable to certain subsidiaries	(10,645)	(10,039)
Income not subject to tax	(5,649)	(410)
Expenses not deductible for tax purposes	304	60,004
Additional deduction for tax incentives	(2,205)	(1,698)
Tax losses and deductible temporary differences for which no deferred income tax asset was recognised	6,349	2,700
Utilisation of previously unrecognised tax losses	(13)	(19)
Share of results of joint ventures	(288)	(220)
Corporate withholding income tax	6,406	10,786
Income tax expenses	84,975	176,729

HONG KONG PROFITS TAX

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax regime, the first HKD2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HKD2,000,000 will be taxed at 16.5%.

The two-tiered profits tax regime was applicable to certain group companies incorporated in Hong Kong during the years ended 31 December 2025 and 2024.

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11. INCOME TAX (CONTINUED)

PRC CORPORATE INCOME TAX

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

The general enterprise income tax rate in Chinese mainland is 25%. Certain operations of the Group in Chinese mainland were qualified as “Small Low-Profit Enterprises” and taxed at the reduced tax rate of 20% from 1 January 2008. During the year ended 31 December 2025, the Small Low-Profit Enterprises whose taxable income is less than RMB3,000,000 enjoy the preferential income tax treatment with the income tax rate of 20% and are eligible to have their tax calculated based on 25% of their taxable income.

Guangzhou Yueguan Intelligent Technology Co., Ltd. (“Yueguan Intelligent”) was qualified as a “High and New Technology Enterprise” in 2019 and subject to a reduced preferential enterprise income tax rate of 15% since 1 January 2019. On 19 December 2025, the filing of Yueguan Intelligent’s renewal of the High and New Technology Enterprise qualification for another 3 years starting from 1 January 2025 was completed.

According to the new Enterprise Income Tax Law of the PRC, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies outside Chinese mainland when their subsidiaries in Chinese mainland declare dividends out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the Hong Kong holding companies satisfied the requirements of the tax treaty arrangements between Chinese mainland and Hong Kong. For the Group, the applicable tax rate is 5%. There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

12. DIVIDENDS

The directors proposed a final dividend of HKD0.037 per ordinary share (2024: HKD0.083 per ordinary share), totalling approximately RMB44,358,000 (2024: RMB114,062,000). Such dividend is to be approved by the shareholders at the Annual General Meeting on 5 June 2026. These financial statements do not reflect this dividend payable.

	2025 RMB'000	2024 RMB'000
2025 interim, declared and paid, of HKD0.088 equivalent to RMB0.080 (2024: HKD0.100 equivalent to RMB0.091) per ordinary share	120,338	140,916
2025 final, proposed, of HKD0.037 equivalent to RMB0.030 (2024: HKD0.083 equivalent to RMB0.078) per ordinary share	44,358	114,062
Total	164,696	254,978

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13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(A) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares during the years ended 31 December 2025 and 2024.

	2025	2024
Profit attributable to owners of the Company (RMB'000)	273,690	352,921
Weighted average number of ordinary shares (in thousands)	1,503,909	1,518,985
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	0.18	0.23

(B) DILUTED EARNINGS PER SHARE

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

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Since there were no dilutive potential ordinary shares during the years ended 31 December 2025 and 2024, diluted earnings per share is equal to basic earnings per share.

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14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Furniture, fixtures and equipment RMB'000	Leasehold improvements RMB'000	Vehicles RMB'000	Total RMB'000
31 December 2025					
Opening net book amount	3,929	31,409	1,915	1,834	39,087
Additions	—	15,056	1,371	525	16,952
Disposals	—	(332)	—	(80)	(412)
Depreciation charge	(190)	(12,218)	(790)	(531)	(13,729)
Closing net book amount	3,739	33,915	2,496	1,748	41,898
As at 31 December 2025					
Cost	6,071	106,184	10,360	3,623	126,238
Accumulated depreciation	(2,332)	(72,269)	(7,864)	(1,875)	(84,340)
Net book amount	3,739	33,915	2,496	1,748	41,898

	Buildings RMB'000	Furniture, fixtures and equipment RMB'000	Leasehold improvements RMB'000	Vehicles RMB'000	Total RMB'000
31 December 2024					
Opening net book amount	4,119	31,057	396	1,041	36,613
Additions	—	13,131	2,413	1,170	16,714
Disposals	—	(296)	—	(6)	(302)
Depreciation charge	(190)	(12,483)	(894)	(371)	(13,938)
Closing net book amount	3,929	31,409	1,915	1,834	39,087
As at 31 December 2024					
Cost	6,071	95,485	9,146	4,315	115,017
Accumulated depreciation	(2,142)	(64,076)	(7,231)	(2,481)	(75,930)
Net book amount	3,929	31,409	1,915	1,834	39,087

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31 December 2025

15. LEASES

THE GROUP AS A LESSEE

The Group has lease contracts for various items of buildings used in its operations. Leases of buildings have lease terms between 2 and 6 years. The short-term leases of the Group are mainly related to buildings.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings RMB'000
Year ended 31 December 2025	
Opening net book amount	113,743
Additions	44,072
Depreciation charge	(70,216)
Termination	(2,261)
Closing net book amount	85,338
As at 31 December 2025	
Cost	212,277
Accumulated depreciation	(126,939)
Net book amount	85,338
Year ended 31 December 2024	
Opening net book amount	103,691
Additions	96,859
Depreciation charge	(78,328)
Termination	(8,479)
Closing net book amount	113,743
As at 31 December 2024	
Cost	269,707
Accumulated depreciation	(155,964)
Net book amount	113,743

NOTES TO FINANCIAL STATEMENTS

31 December 2025

15. LEASES (CONTINUED)

THE GROUP AS A LESSEE (CONTINUED)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	119,449	108,128
New leases	44,072	96,859
Accretion of interest recognised during the year	3,501	5,307
Payments	(73,713)	(80,612)
Termination of lease	(2,261)	(10,233)
Carrying amount at 31 December	91,048	119,449
Analysed into:		
Current portion	55,748	71,910
Non-current portion	35,300	47,539

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets	70,216	78,328
Interest expense (included in finance costs) (note 7)	3,501	5,307
Short-term lease payments (included in cost of sales and administrative expenses) (note 6)	52,111	40,579
Gain on disposal of ROU arising from a change in the non-cancellable period of a lease	—	(1,754)
Total amount recognised in profit or loss	125,828	122,460

(d) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	52,111	40,579
Within financing activities	73,713	80,612
Total	125,824	121,191

NOTES TO FINANCIAL STATEMENTS

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16. INTANGIBLE ASSETS

	Goodwill RMB'000	Customer relationships RMB'000	Computer software RMB'000	Total RMB'000
31 December 2025				
Opening net book amount	23,542	53,936	7,914	85,392
Additions	—	—	1,880	1,880
Disposal	—	—	(13)	(13)
Amortisation	—	(9,413)	(3,541)	(12,954)
Closing net book amount	23,542	44,523	6,240	74,305
As at 31 December 2025				
Cost	260,408	92,372	29,413	382,193
Accumulated amortisation and impairment	(236,866)	(47,849)	(23,173)	(307,888)
Net book amount	23,542	44,523	6,240	74,305
31 December 2024				
Opening net book amount	260,408	63,349	9,164	332,921
Additions	—	—	2,514	2,514
Amortisation	—	(9,413)	(3,764)	(13,177)
Impairment	(236,866)	—	—	(236,866)
Closing net book amount	23,542	53,936	7,914	85,392
As at 31 December 2024				
Cost	260,408	92,372	27,617	380,397
Accumulated amortisation and impairment	(236,866)	(38,436)	(19,703)	(295,005)
Net book amount	23,542	53,936	7,914	85,392

Note:

- (i) Impairment test for goodwill

The goodwill arose from the acquisition of GZMEE Group in 2020 and the acquisition of Guangzhou Yuexiu Fanyue Property Service Co., Ltd. ("Fanyue Property Service") in 2022 with carrying amounts of RMB253,344,000 and RMB7,064,000, respectively. Goodwill arising from the acquisition of the GZMEE Group and Fanyue Property Service is monitored by the management at the level of non-commercial property management and value-added services segment. Goodwill has been assessed based on the related CGUs for impairment testing.

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16. INTANGIBLE ASSETS (CONTINUED)

Note: (Continued)

(i) Impairment test for goodwill (continued)

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill as at 31 December 2025 and 2024:

	2025	2024
For GZMEE Group CGU:		
Revenue (annual growth rate)	1%-9%	-3%-20%
Gross margin (% of revenue)	7%	8%-9%
Long-term growth rate	2%	2%
Pre-tax discount rate	17.43%	18.37%
For Fanyue Property Service CGU:		
Revenue (annual growth rate)	-24%-95%	-11%-42%
Gross margin (% of revenue)	10%-13%	10%-15%
Long-term growth rate	2%	2%
Pre-tax discount rate	18.66%	17.80%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Revenue	Annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Gross margin	Based on past performance and management's expectations for the future.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rate	Reflects specific risks relating to the relevant CGU.

The goodwill represents the excess of the acquisition consideration transferred over the fair value of the net identifiable assets acquired as at the acquisition date. By reference to the recoverable amount assessed by the independent external valuer as at 31 December 2025, the directors of the Company determined that no impairment provision on goodwill was required as at 31 December 2025 (31 December 2024: RMB236,866,000). Such recoverable amount of the CGU is determined based on the value in use (VIU calculation), which requires the Group to estimate the future cash flows expected to arise from the CGU and suitable discount rates in order to calculate the present value.

Impact of possible changes in key assumptions

As at 31 December 2025, in the opinion of the directors of the Company, for the GZMEE Group CGU, if the budgeted revenue used in the VIU calculation had been decreased by 18.3% or the estimated gross profit margins used in the VIU calculation had been decreased by 0.4%, or the pre-tax discount rate applied to the cash flow projections of the CGU had been increased by 1.6%, the Group would have had to recognise an impairment against goodwill. The estimated long-term growth rate used in the VIU calculation for the CGU would not lead to an impairment against goodwill.

As at 31 December 2025, in the opinion of the directors of the Company, for the Fanyue Property Service CGU, if the estimated gross profit margins used in the VIU calculation had been decreased by 7.96% (2024: 8.69%), the Group would have had to recognise an impairment against goodwill. The budgeted revenue, estimated pre-tax discount rate and long-term growth rate used in the VIU calculation for the CGU would not lead to an impairment against goodwill.

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17. EQUITY INVESTMENTS AT FAIR VALE THROUGH OTHER COMPREHENSIVE INCOME

(i) CLASSIFICATION OF EQUITY INVESTMENTS AT FVOCI

Equity investments at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category, as the Group considers these are strategic investments.

(ii) EQUITY INVESTMENTS AT FVOCI

	2025 RMB'000	2024 RMB'000
Non-current assets		
Unlisted equity instruments		
Guangzhou Yuebang Enterprise Management Co., Ltd. ("Yuebang")	397	662
Guangzhou Construction & Development Property Holdings Mingte Network Development Co., Ltd. ("Mingte")	2,058	1,989
Guangzhou Yuetou Commercial Factoring Co., Ltd. ("Yuetou Commercial Factoring")	30,147	30,147
Total	32,602	32,798

As at 31 December 2025 and 2024, the unlisted equity instruments at FVOCI represent the Group's 10%, 5% and 10% equity interests in Yuebang, Mingte and Yuetou Commercial Factoring, respectively.

(iii) MOVEMENTS IN EQUITY INVESTMENTS AT FVOCI DURING THE YEARS ENDED 31 DECEMBER 2025 AND 2024 ARE AS FOLLOWS:

	2025 RMB'000	2024 RMB'000
Opening balance	32,798	33,624
Loss recognised in other comprehensive income	(196)	(826)
Total	32,602	32,798

As at 31 December 2025, equity investments at FVOCI were all denominated in RMB.

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18. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables (note (a))		
– Related parties (note 29(d))	411,677	428,222
– Third parties	504,756	390,232
Subtotal	916,433	818,454
Less: allowance for impairment of trade receivables (note 32)	(67,151)	(45,090)
Total	849,282	773,364

- (a) Trade receivables mainly arise from property management services under a lump sum basis and value-added services. Property management services income under a lump sum basis are received in accordance with the terms of the relevant service agreements. Value-added services income are due for payment by property owners and tenants upon the issuance of demand notes. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2025 and 2024, the ageing analysis of the trade receivables based on the invoice date is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	724,227	679,158
1 to 2 years	152,770	99,357
2 to 3 years	13,281	24,936
Over 3 years	26,155	15,003
Total	916,433	818,454

As at 31 December 2025, a provision of RMB67,151,000 (2024: RMB45,090,000) was made against the gross amounts of trade receivables. The Group's trade receivables were mainly denominated in RMB.

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19. PREPAYMENTS, OTHER RECEIVABLES, OTHER ASSETS AND OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Other receivables		
– Property management costs recoverable (note (a))	134,622	136,609
– Payments on behalf of third-party residents and tenants (note (b))	145,443	128,727
– Guarantee deposits paid (note (c))	126,049	145,969
– Others	118,966	104,240
	525,080	515,545
Less: allowance for impairment of other receivables (note 32)	(19,785)	(17,070)
	505,295	498,475
Prepayments		
– Related parties (note 29 (d))	727	2,080
– Third parties	62,948	63,573
	63,675	65,653
Accrued interest receivable	65,798	40,843
Other prepaid taxes	33,453	14,075
	668,221	619,046
Portion classified as non-current:		
Accrued interest receivable	62,777	33,388
Current portion	605,444	585,658

- (a) The amounts mainly represent costs incurred in relation to property management services provided under a commission basis which could be recovered from property owners and tenants.
- (b) The amounts represent payments of utility charges on behalf of third-party property owners and tenants.
- (c) The amounts mainly represent performance guarantee deposits paid to property owners for the provision of property management services.

The Group's other receivables, prepayments and deposits were mainly denominated in RMB.

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20. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances (note (a))	3,561,436	2,087,446
Less: Restricted bank deposits (note (b))	(39,654)	(82,847)
Cash and cash equivalents	<u>3,521,782</u>	<u>2,004,599</u>

(a) CASH AND BANK BALANCES WERE DENOMINATED IN THE FOLLOWING CURRENCIES:

	2025 RMB'000	2024 RMB'000
RMB	3,477,776	2,021,174
USD	28	29
HKD	83,632	66,243
Total	<u>3,561,436</u>	<u>2,087,446</u>

As at 31 December 2025, the cash and bank balances of the Group denominated in RMB amounted to RMB3,477,776,000 (31 December 2024: RMB2,021,174,000). The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

(b) RESTRICTED BANK DEPOSITS

Restricted bank deposits mainly represent deposits for the provision of property management services according to the requests by property owners.

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21. TIME DEPOSITS

	2025 RMB'000	2024 RMB'000
Bank deposits with maturity over three months (note a)	304,516	1,617,260
Deposit certificates (note b)	1,080,000	1,080,000
Total	1,384,516	2,697,260
Analysed into:		
Current	4,516	467,260
Non-current	1,380,000	2,230,000

(a) BANK DEPOSITS WITH MATURITY OVER THREE MONTHS

These balances represent bank deposits with maturity of over three months with an expected rate of return of 2.39% to 3.20% (2024: 2.10% to 3.30%) per annum for the year ended 31 December 2025.

(b) DEPOSIT CERTIFICATES

The deposit certificates are deposited with creditworthy banks with no recent history of default. The deposit certificates are made for varying periods of between three months and three years and earn interest at the respective fixed rates ranging from 2.60% to 2.65%. The deposit certificates are classified and measured at amortised cost as they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding and are held within a business model with the objective to hold in order to collect contractual cash flows.

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22. TRADE AND BILLS PAYABLES

	2025 RMB'000	2024 RMB'000
Trade and bills payables		
– Related parties (note 29(d))	30,716	18,414
– Third parties	1,048,461	633,085
Total	1,079,177	651,499

As at 31 December 2025 and 2024, the ageing analysis of the trade and bills payables based on the invoice date is as follows:

	2025 RMB'000	2024 RMB'000
Up to 1 year	1,003,863	627,642
1 to 2 years	58,043	8,170
2 to 3 years	5,206	6,347
Over 3 years	12,065	9,340
Total	1,079,177	651,499

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23. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Other payables		
– Advances for property management services (note (a))	196,686	244,757
– Guarantee deposits received (note (b))	554,914	517,857
– Receipts on behalf of residents or tenants (note (c))	267,282	256,948
– Dividend payables to related parties	42,825	34,693
– Accrued expenses	108,772	105,603
– Others	12,318	12,823
Subtotal	1,182,797	1,172,681
Accrued payroll liabilities	179,562	181,434
Other tax payables	31,554	26,404
Total	1,393,913	1,380,519

- (a) The amounts represent advances received from property owners and tenants for settlement of costs to be incurred in relation to property management services provided under a commission basis.
- (b) The amounts mainly represent performance guarantee deposits received from other service providers and renovation and utility security deposits received from property owners and tenants.
- (c) The amounts mainly represent advances received from property owners and tenants for settlement of their utility charges.

Majority of the Group's other payables and accrued charges are denominated in RMB. Other payables are non-interest-bearing and have an average term of one year.

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24. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax assets	Allowance for impairment of trade and other receivables and contract assets RMB'000	Lease liabilities RMB'000	Losses available for offsetting against future taxable profits RMB'000	Total RMB'000
As at 1 January 2025	15,401	24,694	—	40,095
Credited/(charged) to profit or loss	5,925	(6,031)	28,748	28,642
As at 31 December 2025	21,326	18,663	28,748	68,737
As at 1 January 2024	11,988	20,879	—	32,867
Credited to profit or loss	3,413	3,815	—	7,228
As at 31 December 2024	15,401	24,694	—	40,095

Deferred tax liabilities	Revaluation of equity investments at FVOCI RMB'000	Impact of withholding tax RMB'000	Customer relationships RMB'000	Right-of-use assets RMB'000	Total RMB'000
As at 1 January 2025	262	85,665	13,842	23,445	123,214
Charged/(credited) to profit or loss	—	6,406	(1,995)	(6,126)	(1,715)
Credited to other comprehensive income	(49)	—	—	—	(49)
As at 31 December 2025	213	92,071	11,847	17,319	121,450
As at 1 January 2024	343	61,816	15,837	19,989	97,985
Charged/(credited) to profit or loss	—	23,849	(1,995)	3,456	25,310
Charged to other comprehensive income	(81)	—	—	—	(81)
As at 31 December 2024	262	85,665	13,842	23,445	123,214

NOTES TO FINANCIAL STATEMENTS

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24. DEFERRED TAX (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	50,574	16,388
Net deferred tax liabilities recognised in the consolidated statement of financial position	103,287	99,507

As at 31 December 2025, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB104,715,000 (2024: RMB76,973,000) as it is not probable that future taxable profits will be available against which the losses can be utilised. As at 31 December 2025, the unused tax losses amounting to RMB57,258,000 (2024: RMB29,111,000) can be carried forward against future taxable income under the PRC enterprise income tax law and these tax losses will expire in one to five years. The remaining tax losses have no expiry dates.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% for the Group.

No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of RMB343,835,000 as at 31 December 2025 (2024: RMB215,720,000) that are subject to withholding taxes of the Group's subsidiaries established in Chinese mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

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25. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Issued and fully paid: 1,502,212,177 (2024: 1,510,471,677) ordinary shares	2,543,048	2,543,048

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2025	1,510,471,677	2,543,048
Shares repurchased (note a)	(8,259,500)	—
At 31 December 2025	1,502,212,177	2,543,048

- (a) The Company repurchased 8,259,500 of its shares on the Hong Kong Stock Exchange at a total consideration of approximately RMB23,346,000, which was paid wholly out of retained profits in accordance with section 257 of the Hong Kong Companies Ordinance. The total consideration for the purchase of the shares has been charged to retained profits of the Company.

26. SHARE OPTION SCHEME AND RESERVES

(a) STATUTORY RESERVES

In accordance with relevant rules and regulations in the PRC, companies incorporated in Chinese mainland are required to transfer no less than 10% of their profit after taxation calculated under the PRC accounting standards and regulations to the statutory reserve fund before distribution of profit after income tax, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset previous years' losses or to increase the capital of respective companies.

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26. SHARE OPTION SCHEME AND RESERVES (CONTINUED)

(b) SHARE OPTION SCHEME

The share-based payment reserves are used to recognise the grant date fair value of options issued to two executive directors and 37 members of the senior management and core employees (the "Eligible Participants") of the Group but not exercised.

On 30 December 2022, the Board of the Company announced to approve the share option scheme with an exercise price of HKD3.334 (equivalent to RMB2.978) per option, pursuant to which a total of 15,220,300 options (the "Total Options") were resolved to be conditionally granted by the Company to the Eligible Participants if those options are fully exercised.

The share option scheme is divided into three tranches. The first tranche will become exercisable after 24 months from the grant date with 33% of Total Options granted. The second tranche will become exercisable after 36 months from the grant date with 33% of Total Options granted. The third tranche will become exercisable after 48 months from the grant date with 34% of Total Options granted. The vesting of share options is subject to non-market performance and service conditions.

The share option scheme is conditional upon (A) fulfilment of certain adoption conditions; (B) the Company obtaining shareholders' approval for the adoption of the share option scheme; and (C) the Company obtaining the approval of Guangzhou State-owned Assets Supervision and Administration Commission. As at 27 April 2023, all of the conditions have been fulfilled. Thus, the options were granted to the relevant selected participants during the year ended 31 December 2023.

The following share options were outstanding under the scheme during the year:

	2025		2024	
	Weighted average exercise price HKD per share	Number of options '000	Weighted average exercise price HKD per share	Number of options '000
At 1 January	3.33	9,664	3.33	15,220
Forfeited during the year	3.33	(4,904)	3.33	(5,556)
At 31 December	3.33	4,760	3.33	9,664

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26. SHARE OPTION SCHEME AND RESERVES (CONTINUED)

(b) SHARE OPTION SCHEME (CONTINUED)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2025			2024		
Number of options '000	Exercise price HKD	Exercise period	Number of options '000	Exercise price HKD	Exercise period
4,760	3.33	1-1-2025 to 30-12-2030	4,760	3.33	1-1-2025 to 30-12-2030
–	3.33	1-1-2027 to 30-12-2030	4,904	3.33	1-1-2027 to 30-12-2030
4,760			9,664		

There is no share option expense (2024: Nil) recognised during the year ended 31 December 2025 in relation to the share option scheme. The above share-based payment reserves are recognised and measured in accordance with HKFRS 2 *Share-based Payment*.

At the end of the reporting period, the Company had 4,760,000 share options outstanding under the scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 4,760,000 additional ordinary shares of the Company and additional share capital of RMB14,185,000 (before issue expenses).

27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) MAJOR NON-CASH TRANSACTIONS

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB44,072,000 (2024: RMB96,859,000) and RMB44,072,000 (2024: RMB96,859,000), respectively, in respect of lease arrangements for office buildings.

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27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES IS AS FOLLOWS:

	Lease liabilities RMB'000	Dividend payable RMB'000	Total RMB'000
As at 1 January 2025	119,449	34,693	154,142
Changes from financing cash flows	(73,713)	(247,191)	(320,904)
Addition - leases	44,072	—	44,072
Termination of lease	(2,261)	—	(2,261)
Finance expense recognised	3,501	—	3,501
Dividend provided	—	260,698	260,698
Other	—	(5,375)	(5,375)
As at 31 December 2025	91,048	42,825	133,873
As at 1 January 2024	108,128	11,273	119,401
Changes from financing cash flows	(80,612)	(261,522)	(342,134)
Addition - leases	96,859	—	96,859
Termination of lease	(10,233)	—	(10,233)
Finance expense recognised	5,307	—	5,307
Dividend provided	—	284,942	284,942
As at 31 December 2024	119,449	34,693	154,142

Note: Other change includes non-cash transactions, mainly including offsetting amounts due to a related party.

28. COMMITMENTS

OPERATING LEASE COMMITMENTS – AS LESSEE

The Group leases offices and staff dormitories under non-cancellable operating lease agreements.

The Group has recognised right-of-use assets for these leases, except for short-term leases.

The portfolio of short-term leases as at 31 December 2025 and 2024 is similar to the portfolio of short-term leases recognised as expenses disclosed in note 6 for the years ended 31 December 2025 and 2024, the Group elected not to disclose the commitments for short-term leases.

Save as disclosed above, there were no material capital commitments as at 31 December 2025 and 2024.

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29. RELATED PARTY TRANSACTIONS

(a) NAME AND RELATIONSHIP

The Company's ultimate holding company is Guangzhou Yue Xiu Holdings Limited, which is a limited liability company incorporated in the PRC and whose place of operation is in Chinese mainland. The table set below summarises the names of significant related parties, with whom the Group had significant transactions during the year ended 31 December 2025, and their relationship with the Company as at 31 December 2025:

Significant related parties	Relationship with the Group
Yuexiu Property	Intermediate holding company
Guangzhou Construction & Development Holdings (China) Limited ("GCD China")	Immediate holding company
Guangzhou Metro Group Co., Ltd. ("GZ Metro")	Non-controlling shareholder of Yuexiu Property
The subsidiaries of Yuexiu Property, GCD China and GZ Metro	Fellow subsidiaries

(b) TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the significant transactions carried out between the Group and its related parties during the years ended 31 December 2025 and 2024.

	2025 RMB'000	2024 RMB'000
Provision of services (note (ii))		
– Ultimate holding company	942	1,132
– Intermediate holding company	556	298
– Fellow subsidiaries	842,891	976,151
– Non-controlling interests of Yuexiu Property and its subsidiaries	285,940	225,410
– Associates and joint ventures of Yuexiu Property	292,509	259,956
Total	1,422,838	1,462,947
Purchase of goods and services		
– Fellow subsidiaries	17,566	9,967
– Associates and joint ventures of Yuexiu Property	4,897	—
Total	22,463	9,967

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29. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	2025 RMB'000	2024 RMB'000
Additions of right-of-use assets		
– Fellow subsidiaries	7,731	—
– Non-controlling interests of Yuexiu Property and its subsidiaries	3,725	—
– Associates and joint ventures of Yuexiu Property	3,224	51,117
Total	14,680	51,117
Rental expenses (short-term leases)		
– Fellow subsidiaries	10,139	6,852
– Associates and joint ventures of Yuexiu Property	18,255	18,362
Total	28,394	25,214
Maximum balance of bank deposits		
– A fellow subsidiary	2,453,283	1,022,567

- (i) All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.
- (ii) The provision of services to related parties comprises the provision of non-commercial property management and value-added services and commercial property management and operational services.

The related party transactions with respect to the provision of services, purchase of goods and services, rental expenses (short-term leases) and maximum balance of bank deposits above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(c) KEY MANAGEMENT COMPENSATION

Compensation for key management other than those for directors as disclosed in note 9 is set out below.

	2025 RMB'000	2024 RMB'000
Salaries and other short-term employee benefits	2,530	2,584

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29. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) BALANCES WITH RELATED PARTIES

	2025 RMB'000	2024 RMB'000
Trade receivables (note (i))		
– Ultimate holding company	2,132	746
– Intermediate holding company	45	255
– Fellow subsidiaries	205,847	239,773
– Non-controlling interests of Yuexiu Property and its subsidiaries	94,224	85,868
– Associates and joint ventures of Yuexiu Property	109,429	101,580
Total	411,677	428,222
Contract assets (note (i))		
– Fellow subsidiaries	59,101	56,401
– Associates and joint ventures of Yuexiu Property	21,435	25,235
Total	80,536	81,636
Other receivables (note (ii))		
– Ultimate holding company	416	1,360
– Fellow subsidiaries	61,910	46,741
– Non-controlling interests of Yuexiu Property and its subsidiaries	22,591	22,521
– Associates and joint ventures of Yuexiu Property	40,707	36,758
Total	125,624	107,380
Prepayments (note (i))		
– Fellow subsidiaries	727	2,080
Trade payables (note (i))		
– Fellow subsidiaries	24,794	14,202
– Non-controlling interests of Yuexiu Property and its subsidiaries	1,253	818
– Associates and joint ventures of Yuexiu Property	4,669	3,394
Total	30,716	18,414
Other payables (note (iii))		
– Ultimate holding company	2,617	2,596
– Intermediate holding company	527	278
– Fellow subsidiaries	123,586	106,667
– Non-controlling interests of Yuexiu Property and its subsidiaries	45,500	35,798
– Associates and joint ventures of Yuexiu Property	34,843	35,464
Total	207,073	180,803

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29. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) BALANCES WITH RELATED PARTIES (CONTINUED)

	2025 RMB'000	2024 RMB'000
Contract liabilities (note (i))		
– Fellow subsidiaries	46,349	84,474
– Non-controlling interests of Yuexiu Property and its subsidiaries	2,401	5,672
– Associates and joint ventures of Yuexiu Property	4,289	25,209
– Intermediate holding company	—	5
Total	53,039	115,360
Bank deposits (note (i))		
– A fellow subsidiary	2,223,705	718,412
Lease liabilities		
– Fellow subsidiaries	2,993	5,728
– Non-controlling interests of Yuexiu Property and its subsidiaries	792	—
– Associates and joint ventures of Yuexiu Property	19,063	39,199
Total	22,848	44,927

- (i) The balances of trade receivables, contract assets, prepayments, trade payables and contract liabilities were unsecured and interest free. The balances of bank deposits were unsecured with interest rates in accordance with normal commercial terms.
- (ii) The balances due from related parties as at 31 December 2025 and 2024 were mainly costs to be recovered from property owners incurred in relation to property management services provided under a commission basis and guarantee deposits which were unsecured and interest free.
- (iii) The balances due to related parties as at 31 December 2025 and 2024 were mainly costs prepaid by property owners incurred in relation to property management services provided under a commission basis and guarantee deposits which were unsecured and interest free.
- (iv) For the years ended 31 December 2025 and 2024, banking facilities of HKD170,000,000 for issuance of letter of guarantee in respect of operation and management of car parks or properties by the Group are guaranteed by Yuexiu Property. HKD75,004,000 of the total banking facilities has been utilised by the Group for issuance of letter of guarantee to the Hong Kong Housing Authority for the purpose of leasing car park from certain car parks owners.

NOTES TO FINANCIAL STATEMENTS

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30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Financial asset at amortised cost		
Trade receivables	849,282	773,364
Prepayments, other receivables, other assets and other non-current assets (excluding prepayments and other prepaid taxes) (note 19)	571,093	539,318
Cash and cash equivalents (note 20)	3,521,782	2,004,599
Restricted bank deposits (note 20)	39,654	82,847
Time deposits (note 21)	1,384,516	2,697,260
Subtotal	6,366,327	6,097,388
Equity investments at FVOCI (note 17)	32,602	32,798
Total	6,398,929	6,130,186
Financial liabilities at amortised cost		
Trade and bills payables	1,079,177	651,499
Other payables and accruals (excluding accrued payroll liabilities and other taxes payable) (note 23)	1,182,797	1,172,681
Total	2,261,974	1,824,180

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31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets				
Equity investments at FVOCI	32,602	32,798	32,602	32,798

Management has assessed that the fair values of restricted bank deposits, time deposits, cash and cash equivalents, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of equity investments at FVOCI is calculated using the Summation Method. The Summation Method is a method that calculates the value of an asset by the addition of the separate values of its component parts.

The fair values of the non-current portion of time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

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31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group measures its equity investments at FVOCI at fair value. Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follows:

Description	Fair value at 31 December 2025 RMB'000	Valuation technique	Unobservable inputs
– Unlisted equity security*	30,147	Summation Method	Value of each asset/liability
– Unlisted equity security**	2,058	Summation Method	Value of each asset/liability
– Unlisted equity security***	397	Summation Method	Value of each asset/liability

Description	Fair value at 31 December 2024 RMB'000	Valuation technique	Unobservable inputs
– Unlisted equity security*	30,147	Summation Method	Value of each asset/liability
– Unlisted equity security**	1,989	Summation Method	Value of each asset/liability
– Unlisted equity security***	662	Summation Method	Value of each asset/liability

The relationship of unobservable inputs to fair value of this equity investment is the higher value of each asset or the lower value of each liability, the higher the fair value.

- * If the expected value of each asset of this equity investment had been 100 basis points higher/lower or expected value of each liability of this equity investment had been 100 basis points lower/higher, the Group's equity would have been approximately RMB301,000 and RMB301,000 higher/lower as at 31 December 2025 and 2024, respectively.
- ** If the expected value of each asset of this equity investment had been 100 basis points higher/lower or expected value of each liability of this equity investment had been 100 basis points lower/higher, the Group's equity would have been approximately RMB15,000 and RMB15,000 higher/lower as at 31 December 2025 and 2024, respectively.
- *** If the expected value of each asset of this equity investment had been 100 basis points higher/lower or expected value of each liability of this equity investment had been 100 basis points lower/higher, the Group's equity would have been approximately RMB3,000 and RMB5,000 higher/lower as at 31 December 2025 and 2024, respectively.

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31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments at FVOCI	—	—	32,602	32,602

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments at FVOCI	—	—	32,798	32,798

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

Equity investments at FVOCI

	2025 RMB'000	2024 RMB'000
At 1 January	32,798	33,624
Loss recognised in other comprehensive income	(196)	(826)
At 31 December	32,602	32,798

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

MARKET RISK

(i) Price risk

The Group is exposed to equity securities price risk in its equity investments at FVOCI. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The equity investments at FVOCI are unlisted equity instruments held in Chinese mainland. As at 31 December 2025, assuming the fair value of these equity investments increased or decreased by 10%, the Group's equity would have increased or decreased by approximately RMB3,199,000 (31 December 2024: RMB3,214,000).

CREDIT RISK

The Group is exposed to credit risk in relation to its trade and other receivables, contract assets, cash and cash equivalents, time deposits and restricted bank deposits. The carrying amounts of trade and other receivables, contract assets, cash and cash equivalents, time deposits and restricted bank deposits represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, cash and cash equivalents, time deposits and restricted bank deposits are placed with highly reputable financial institutions. The management does not expect that there will be any significant losses from non-performance by these counterparties.

For trade receivables, other receivables and contract assets, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables and contract assets at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK (CONTINUED)

(i) *Trade receivables and contract assets*

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Thus, the Group measures the expected credit losses of trade receivables by dividing into two groups, trade receivables due from third parties and trade receivables due from related parties. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Future cash flows for each group of receivables and contract assets are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and contract assets.

Trade receivables and contract assets with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of insolvencies include, amongst others, the failure of a debtor engaging in a repayment plan with the Group, and a failure to make contractual payments.

Trade receivables and contract assets without known insolvencies are assessed on a collective basis based on shared credit risk characteristics.

The Group has assessed that the expected loss rate for trade receivables and contract assets from related parties as at 31 December 2025 was low considering the financial position and credit history of the related parties. The expected credit loss rate for related parties for trade receivables and contract assets are calculated as 0.5% (2024: Nil) and 0.2% (2024: Nil), respectively, by considering the historical collection data.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK (CONTINUED)

(i) Trade receivables and contract assets (Continued)

The expected credit losses below also incorporated forward-looking information. As at 31 December 2025 and 2024, the loss allowance provision for the trade receivables and contract assets is determined as follows:

	Third Parties				Related	Total
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Parties	
Trade receivables	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025						
Expected loss rate	5%	30%	50%	100%	0.5%	
Gross carrying amount	399,413	82,696	4,430	18,217	411,677	916,433
Loss allowance provision	19,971	24,809	2,215	18,217	1,939	67,151
At 31 December 2024						
Expected loss rate	5%	30%	50%	100%	0%	
Gross carrying amount	332,733	37,816	5,149	14,534	428,222	818,454
Loss allowance provision	16,636	11,345	2,575	14,534	—	45,090
Contract assets	Up to 1 year	1 to 2 years	2 to 3 years	Related	Total	
	RMB'000	RMB'000	RMB'000	Parties	RMB'000	RMB'000
At 31 December 2025						
Expected loss rate	5%	30%	50%	0.2%		
Gross carrying amount	29,213	2,179	—	80,536	111,928	
Loss allowance provision	1,460	654	—	172	2,286	
At 31 December 2024						
Expected loss rate	5%	30%	50%	0%		
Gross carrying amount	32,160	3,254	2	81,636	117,052	
Loss allowance provision	1,608	976	1	—	2,585	

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK (CONTINUED)

(ii) *Other receivables*

During the year ended 31 December 2025, the Group calculated the ECL rate for other receivables from related parties based on historical collection experiences and other public information of the credit risk of similar counterparties.

Other than other receivables from related parties, the Group uses the expected credit loss model in note (i) to determine the loss allowance provision for other receivables. As at 31 December 2025, the Group has assessed that there is no significant increase of credit risk for other receivables since initial recognition. Thus, the Group used the 12-month expected credit loss model to assess credit losses for other receivables, except for certain property management costs recoverable from property owners and tenants.

Other receivables mainly comprise property management costs recoverable from property owners and tenants, payments on behalf of property owners and tenants for utility charges and guarantee deposits in connection with the provision of property management services.

For guarantee deposits, the directors of the Company considered that there was no significant impairment risk as the deposits mainly represented performance guarantees for the property management projects and will be refunded according to the relevant contract terms.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK (CONTINUED)

(ii) Other receivables (Continued)

For certain property management costs recoverable from property owners and tenants in Chinese mainland, the loss allowance provision is determined as follows:

	Up to 1 year RMB'000	1 to 2 years RMB'000	2 to 3 years RMB'000	Over 3 years RMB'000	Total RMB'000
At 31 December 2025					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	34,095	11,998	6,506	8,834	61,433
Loss allowance provision	1,705	3,599	3,253	8,834	17,391
At 31 December 2024					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	27,688	9,701	5,353	7,935	50,677
Loss allowance provision	1,384	2,910	2,677	7,935	14,906

For the rest of other receivables, which mainly include payments on behalf of property owners and tenants for utility charges, the loss allowance provision is determined as follows:

	Third Parties RMB'000	Related Parties RMB'000	Total RMB'000
At 31 December 2025			
Expected loss rate	1%	1%	
Gross carrying amount	230,389	8,958	239,347
Loss allowance provision	2,304	90	2,394
At 31 December 2024			
Expected loss rate	1%	0%	
Gross carrying amount	216,396	—	216,396
Loss allowance provision	2,164	—	2,164

As there were no significant changes in the customer base, historical credit loss rates of customers and forward-looking information throughout the year, the Group adopted the same expected credit loss rate for trade and other receivables during the year ended 31 December 2025.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK (CONTINUED)

(ii) Other receivables (Continued)

As at 31 December 2025 and 2024, the loss allowance provision for trade and other receivables reconciles to the opening loss allowance for that provision as follows:

	Other receivables			
	Trade receivables RMB'000	(excluding guarantee deposits) RMB'000	Contract assets RMB'000	Total RMB'000
At 1 January 2025	45,090	17,070	2,585	64,745
Net impairment losses on financial assets (note 6)	22,061	2,715	(299)	24,477
At 31 December 2025	<u>67,151</u>	<u>19,785</u>	<u>2,286</u>	<u>89,222</u>
At 1 January 2024	35,762	11,971	1,440	49,173
Net impairment losses on financial assets (note 6)	9,328	5,099	1,145	15,572
At 31 December 2024	<u>45,090</u>	<u>17,070</u>	<u>2,585</u>	<u>64,745</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK (CONTINUED)

(iii) Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

As at 31 December 2025

	12-month expected credit losses	Lifetime expected credit losses			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables	—	—	—	916,433	916,433
Contract assets	—	—	—	111,928	111,928
Financial assets included in prepayments, other receivables and other assets					
– Normal	590,878	—	—	—	590,878
Restricted bank deposits					
– Not yet past due	39,654	—	—	—	39,654
Time deposits					
– Not yet past due	1,384,516	—	—	—	1,384,516
Cash and cash equivalents					
– Not yet past due	3,521,782	—	—	—	3,521,782
Total	5,536,830	—	—	1,028,361	6,565,191

NOTES TO FINANCIAL STATEMENTS

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK (CONTINUED)

(iii) Maximum exposure and year-end staging (Continued)

As at 31 December 2024

	12-month expected credit losses		Lifetime expected credit losses		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade receivables	—	—	—		818,454	818,454
Contract assets	—	—	—		117,052	117,052
Financial assets included in prepayments, other receivables and other assets						
– Normal	556,388	—	—		—	556,388
Restricted bank deposits						
– Not yet past due	82,847	—	—		—	82,847
Time deposits						
– Not yet past due	2,697,260	—	—		—	2,697,260
Cash and cash equivalents						
– Not yet past due	2,004,599	—	—		—	2,004,599
Total	5,341,094	—	—		935,506	6,276,600

LIQUIDITY RISK

The Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements. Management monitors rolling forecasts of the Group's liquidity reserve which comprises undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

LIQUIDITY RISK (CONTINUED)

The table below analyses the Group's financial liabilities into relevant maturity groupings at each balance sheet date. The amounts disclosed in the table below are the contractual undiscounted cash flows:

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
As at 31 December 2025				
Trade and bills payables	1,079,177	—	—	1,079,177
Other payables and accruals (excluding accrued payroll liabilities and other tax payable)	1,182,797	—	—	1,182,797
Lease liabilities	65,213	24,250	9,042	98,505
Total	2,327,187	24,250	9,042	2,360,479

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2024					
Trade and bills payables	651,499	—	—	—	651,499
Other payables and accruals (excluding accrued payroll liabilities and other tax payable)	1,172,681	—	—	—	1,172,681
Lease liabilities	69,035	43,641	12,932	160	125,768
Total	1,893,215	43,641	12,932	160	1,949,948

CAPITAL MANAGEMENT

The Group's objectives for managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

The gearing ratio is calculated based on total bank borrowings divided by total equity, multiplied by 100%. Since the Group had no bank borrowings as of 31 December 2024 and 31 December 2025, the gearing ratios as of both aforesaid dates were nil.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	601,016	601,016
CURRENT ASSETS		
Other receivable and prepayments	113,807	121,206
Dividend receivables	1,308,432	1,122,806
Time deposits	—	358,000
Cash and cash equivalents	948,078	829,119
Total current assets	2,370,317	2,431,131
CURRENT LIABILITIES		
Other payables	16,857	22,124
NET CURRENT ASSETS	2,353,460	2,409,007
TOTAL ASSETS LESS CURRENT LIABILITIES	2,954,476	3,010,023
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,273	977
Net assets	2,952,203	3,009,046
Equity		
Share capital	2,543,048	2,543,048
Other reserves (note)	6,927	6,927
Retained earnings (note)	402,228	459,071
Total equity	2,952,203	3,009,046

NOTES TO FINANCIAL STATEMENTS

31 December 2025

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note

	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2025	6,927	459,071	465,998
Profit for the year	—	200,903	200,903
Shares repurchased	—	(23,346)	(23,346)
Dividend paid	—	(234,400)	(234,400)
At 31 December 2025	6,927	402,228	409,155
At 1 January 2024	6,927	225,630	232,557
Profit for the year	—	529,267	529,267
Shares repurchased	—	(34,304)	(34,304)
Dividend paid	—	(261,522)	(261,522)
At 31 December 2024	6,927	459,071	465,998

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.



越秀服務集團有限公司
YUEXIU SERVICES GROUP LIMITED