

碧桂園服務控股有限公司

Country Garden Services Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6098

Serving you a better life

服務成就美好生活



ANNUAL REPORT 2025

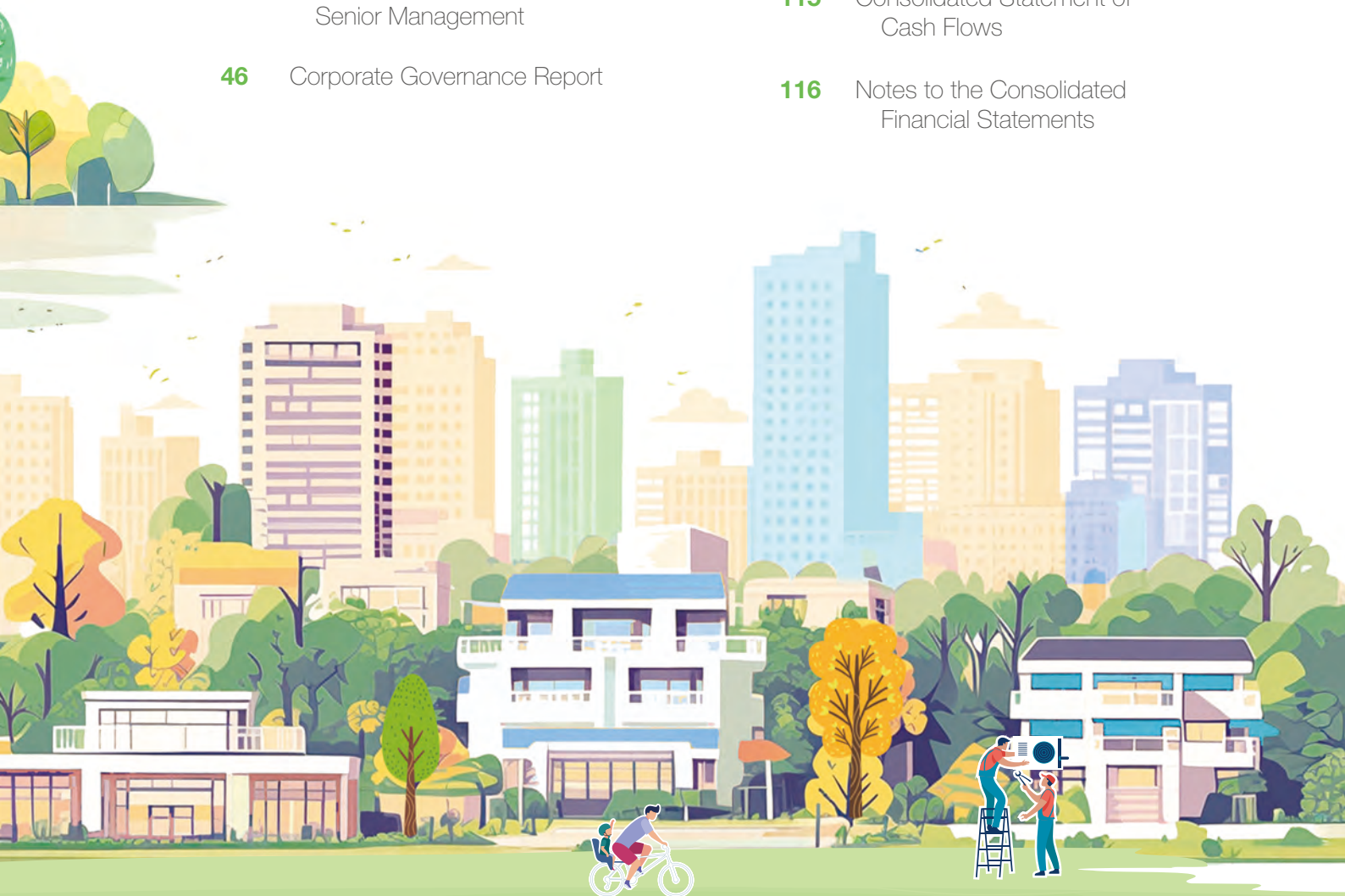
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CORPORATE OVERVIEW

Country Garden Services Holdings Company Limited (the “**Company**” or “**CG Services**”) (stock code: 6098.HK) is a leading integrated service provider in the People’s Republic of China (the “**PRC**”) covering diversified business forms. The Company and its subsidiaries (the “**Group**” or “**We**” or “**CG Services Group**”) have won industry-leading customer satisfaction rate and gained high recognition in the industry with our outstanding service quality and service brands. We have won well-recognized awards in the industry including “2025 Leading Property Management Companies in China in terms of Marketisation of Business” (2025中國物業管理行業市場化運營領先企業) and “2025 Leading Companies in China in terms of Property Technology Empowerment” (2025中國物業科技賦能領先企業) granted by China Index Academy; “2025 First in Property Management Companies in China in terms of Comprehensive Strength” (2025中國物業企業綜合實力第1名) and “2025 First in Property Management Companies in China in terms of Service Capability” (2025中國物業企業服務力第1名) granted by YIHAN (億翰智庫); and “2025 Leading Property Management Companies in China in terms of Social Responsibility Contribution” (2025中國物業社會責任貢獻領先企業) and “2025 Leading Listed Property Management Companies in China in terms of ESG Sustainable Development” (2025中國物業管理上市公司ESG可持續發展領先企業) granted by CRIC Property Management.

Founded in 1992, the Group achieved 34 years of steady development. It always adheres to the service concepts of “Catering for property owners’ urgent needs; address property owners’ concerns” and “Property owner-oriented”. With strong business capability and lean management, it has completed three major certifications of the British Standards Institution (BSI), being quality management system ISO, environmental management system ISO and occupational health and safety system. It has formed a comprehensive and efficient property management service system, and is committed to letting property owners experience the beauty of property management services through strong offline service system and consolidation of community business resources. Furthermore, it provides full life-cycle services by focusing on preservation and appreciation of the value of owners’ real estates.

Our major business sectors include: (i) property management services, (ii) community value-added services, (iii) value added services to non-property owners, (iv) the “Three Supplies and Property Management” businesses, (v) environmental business (the main business of the former city services business) and (vi) commercial operational services, which constitute part of our comprehensive services we provide to customers that cover the full range of value chain in property management. As at 31 December 2025, apart from the “Three Supplies and Property Management” businesses, our revenue-bearing gross floor area (“**GFA**”) was approximately 1,070.4 million sq.m.. In addition, the revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” businesses was approximately 88.8 million sq.m.. We managed a total of 8,268 property projects. These projects cover 31 provinces, municipalities, autonomous regions in Chinese Mainland and the Hong Kong Special Administrative Region and overseas, with a focus on five key economically developed city clusters, including the Pearl River Delta, the Yangtze River Delta, the middle reaches of the Yangtze River, the Beijing-Tianjin-Hebei Region and the Chengdu-Chongqing Region in China.

Property management services – We provide property owners, residents and property developers with a series of property management services, including security, cleaning, green landscaping, gardening, repair and maintenance, and other services. We have been optimizing our property management portfolio and enriching our forms of projects. Currently, our property management portfolio covers residential properties, commercial properties, office buildings, industrial parks, multi-purpose complexes, government buildings, hospitals, schools and other public facilities, such as airport terminals, highway service stations, scenic areas and other non-residential properties.

Community value-added services – We are committed to becoming an “integrated whole-cycle community life services operator”. By focusing on the family growth cycle of property owners, the property value cycle and the mature development cycle of communities, we strive to provide property owners with comprehensive community life services to meet their needs for asset value preservation and appreciation and daily life needs, so as to enable property owners to experience the beauty of property management services. Community value-added services have been developed as a new engine to drive sustainable and stable growth of the Group. Based on the community and property service scenarios, we continuously build community value-added service businesses that satisfy customers, and possess differentiation and marketization capabilities, and drive the shift in our business structure from resource-based businesses to market-oriented businesses, thereby driving the scale expansion and quality improvement of our community value-added services. Five major businesses have formed in our community value-added services sector: (i) home services; (ii) community media services; (iii) local living services; (iv) real estate brokerage services; and (v) community area services.

Value-added Services to Non-Property Owners – The value-added services to non-property owners we provide mainly include (i) management consultancy services to property developers for their presale activities, as well as consultancy services for properties managed by other property management companies; (ii) cleaning services, green landscaping, repair and maintenance services to property developers at the pre-delivery stage; (iii) sales and leasing agency services of unsold parking spaces and properties; and (iv) elevator products installation, supporting services and other services.

“Three Supplies and Property Management” businesses – In 2018, we established a joint venture and began to enter the separation and transfer of property management and heat supply on the “Three Supplies and Property Management” Reform. Since our establishment, we continued to promote in-depth integration with our partners and had achieved initial results in terms of operation management, market expansion, quality management, intelligent construction and community value-added services. We jointly promoted the gradual expansion of our business scope to the integrated services provided to office properties, and the plants, industrial parks, oil and gas plants and stations of petroleum and petrochemical enterprises, and the integrated logistics services provided to state-owned enterprises including staff canteens. We will give full play to our successful experience in this benchmarking project and continue to further develop the “Three Supplies and Property Management” field by establishing a new operating mechanism and exploring a new management model.

Environmental business – The Group focuses on core sectors including smart city (ecological) environmental operation and maintenance, solid waste treatment and resource utilisation, environmental governance, green technology services, manufacturing of environmental technology equipment, industrial park services, operation and maintenance of high speed transportation and hubs, in order to deliver integrated environmental governance solutions for urban development, industrial upgrading and livable communities covering eco-friendly design, construction and renovation and smart operations.

Commercial operational services – The Group provides shopping malls, neighborhood centers, office buildings and other projects with full-chain services such as business planning consulting, tenant sourcing, operation and planning services, mainly including (i) conducting commercial operation and management of the properties owned by leasing developers or property owners; (ii) providing property market research and positioning services at the investment stage of property developers; (iii) providing market research and positioning, business planning consulting, tenant solicitation and opening preparation services to property developers or owners at the preparation stage before the opening of the properties; and (iv) providing tenant solicitation, operation and management services to property owners or tenants at the stage of property operation.

On 19 June 2018, the Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), indicating its formal entrance into the international capital market. Since the listing, its position in the international capital market was gradually enhanced – It was included as a constituent stock of the MSCI China All Shares Index on 31 August 2018, and was included as a constituent stock of the Hang Seng Composite LargeCap & MidCap Index and in the Hong Kong Stock Connect stock list on 10 September 2018. The Company implements environmental, social and governance (“**ESG**”) concepts and practices in its business operations and has obtained industry-leading international ESG ratings, receiving a rating of AA (the highest industry rating in Chinese Mainland) in the MSCI ESG ratings assessment; the Company was rated as “low-risk” by the Sustainalytics ESG Risk Ratings (with a score of 12.9) and has been honored as the enterprise with the “Highest Regional (Asia Pacific) ESG Rating” for three consecutive years since 2023; was rated 35 on the S&P Global ESG Scores; and was selected as a constituent stock of FTSE4Good Index Series by FTSE Russell in December 2022 and has maintained such rating since then.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Binhuai (*President*)

Mr. Xiao Hua

Non-executive Director

Ms. Yang Huiyan (*Chairman*)

Independent Non-executive Directors

Mr. Mei Wenjue

Mr. Rui Meng

Mr. Chen Weiru

Mr. Zhao Jun

AUDIT COMMITTEE

Mr. Rui Meng (*Chairman*)

Mr. Mei Wenjue

Mr. Chen Weiru

Mr. Zhao Jun

REMUNERATION COMMITTEE

Mr. Chen Weiru (*Chairman*)

Ms. Yang Huiyan

Mr. Mei Wenjue

NOMINATION COMMITTEE

Ms. Yang Huiyan (*Chairman*)

Mr. Rui Meng

Mr. Chen Weiru

Mr. Zhao Jun

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Xu Binhuai (*Chairman*)

Mr. Xiao Hua

Ms. Yang Huiyan

Mr. Chen Weiru

Mr. Zhao Jun

DEBT RECOVERY COMMITTEE*

Mr. Xu Binhuai (*Chairman*)

Mr. Xiao Hua

Mr. Rui Meng

JOINT COMPANY SECRETARIES

Mr. Chen Dilin

Mr. Leung Chong Shun (*Solicitor in Hong Kong*)

AUTHORISED REPRESENTATIVES

Mr. Xu Binhuai

Mr. Chen Dilin

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

4th Floor, Ruttonjee House

Ruttonjee Centre

11 Duddell Street

Central

Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

West Building of Country Garden Office

Beijiao Town

Shunde District, Foshan

Guangdong Province

PRC

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road, Hong Kong

AUDITORS

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

35/F, One Pacific Place

88 Queensway, Hong Kong

* In addition to the Directors presented, there are another three members that are core management of the Company (one of whom was appointed on 27 March 2026)

LEGAL ADVISERS

As to Hong Kong laws:

WOO KWAN LEE & LO

26/F, Jardine House, 1 Connaught Place, Central
Hong Kong

PILLSBURY WINTHROP SHAW PITTMAN LLP

Suite 1704, 17/F, Alexandra House, 18 Chater Road,
Central
Hong Kong

As to PRC laws:

Beijing Dacheng Law Offices, LLP (Shanghai)

9th/24th/25th Floor, Shanghai World Financial Center
No.100 Century Avenue, Shanghai, China

AllBright Law Offices

12/F, Shanghai Tower, No. 501 Yincheng Middle Road
Pudong New Area, Shanghai

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Industrial and Commercial Bank of China (Asia) Limited

The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE

www.bgyfw.com

STOCK CODE

6098

LISTING DATE

19 June 2018



MAJOR EVENTS

1

January

1. The Group held a capital market symposium at its Shunde headquarters, which successfully attracted several well-known domestic investment institutions, led by Shanghai Wealspring Asset Management Co., Ltd. (“**Wealspring Asset**”), and obtained recognition from them. Subsequently, Wealspring Asset acquired and held over 5% of the Company’s total issued shares in February 2025.
2. 18 office buildings projects managed by the commercial and office business department of the Group were awarded the Grade A WELL Health-Safety Rating (WELL HSR) by the International WELL Building Institute. These 18 projects cover a total managed area of approximately 3.83 million sq.m., serving nearly 15,000 customers. Meanwhile, the Group launched the “F-I-N-E” City-Friendly Service System, centered on the core values of being “Friendly, Inclusive, Natural, and Efficient”. This system focuses on fostering multi-dimensionally friendly development of customers, employees, communities, and the ecosystem. The projects achieved full coverage of AED equipment, implemented real-time PM2.5 monitoring systems and “Sky Gardens,” creating “Breathing Office Buildings.”



2

February

The Group coordinated with its regional offices and projects across the nation to organise a “Hundred-Family Banquet” in celebration of the Spring Festival, aiming to create a warm gathering filled with traditional lunar year atmosphere and neighbourhood harmony for property owners, welcoming the arrival of the Spring Festival together. The banquet invited families of property owners to cut paper window decorations, to write the character “Fu (福)”, to perform shows, to taste delicious dishes and to chat about daily lives, bringing everyone closer amid the aroma of home-cooked food. This initiative not only promoted traditional culture and enhanced the sense of community happiness, but also demonstrated the achievements of property management and residents working together to build a warm home.



3

March

1. The Group announced its 2024 annual results, with total revenue increasing by approximately 3.2% from approximately RMB42,611.5 million for the year ended 31 December 2023 to approximately RMB43,992.9 million. Profit remained stable with a modest increase, and gross profit amounted to approximately RMB8,400.6 million. The Group had sufficient bank deposits and structured deposits amounting to RMB18.18 billion in total and its net cash generated from operating activities amounted to RMB3.87 billion. The Group declared a dividend of RMB0.99 billion for the full year of 2024, exceeding 55% of the net profit attributable to owners of the Company for 2024, which demonstrates our commitment to sharing operating results with shareholders actively and reflects the robust financial position of the Company.
2. The Group launched its first “Party-Mass Volunteer Service Month”. During the year, 1,345 new party and mass volunteer service teams were established, bringing the cumulative total to 4,511 teams. Throughout the year, the Group carried out 33,077 volunteer service activities, providing 1,684,214 person-times of service to the public.



4

April

In collaboration with authoritative organizations including the China Disaster Prevention Association and the ZhongjianXie Certification Centre, the Group jointly compiled the “Competence Evaluation of Housing Health Check Institutions”. By leveraging a five-dimensional health assessment system encompassing structural safety, environmental wellness, scenario comfort, community ecology and cultural enrichment, the Group provides precise “health check reports” for buildings. A general-benefit service system has been preliminarily established, comprising 4 major categories and 17 basic inspection items. Deep housing health checks for property owners in community have been rolled out in several pioneer pilot cities, including Shenzhen, Guangzhou, Dongguan and Hainan.



Major Events



May

Mr. Meng Rui (蒙瑞), the project manager of the Group's Renhe Services (Inner Mongolia Region), was honored as a 2025 National Model Worker by the CPC Central Committee and the State Council.



June

1. The Group entered into a strategic cooperation agreement with the Kashgar Municipal People's Government. Both parties will engage in in-depth cooperation focusing on areas such as property service enhancement, smart community construction, and service innovation. By establishing demonstration projects, the Group aims to lead the overall improvement of the property service industry in Kashgar, providing residents with higher-quality, more efficient, and more convenient property management services, which marks an innovative practice of "Jointly Building a Better City and Sharing a Quality Life (共建美好城市·共享品质生活)".
2. The Party committee of the Group issued the "Eight-Point Directive for Party Members in Disaster Relief (黨員抗災救災八條)", calling on Party members to play a pioneering and exemplary role in response to floods, heavy rains, and typhoons within property service projects. Throughout the year, Party organizations and Party-mass volunteer service teams across various projects carried out disaster response and recovery work on 432 occasions.



7

July

The Group's subsidiary, Beijing Zhongke Guoxing Innovation Service Co., Ltd. (北京中科國興創新服務有限公司) entered into the framework cooperation agreement with CSSC Ocean STAR Culture Development Co., Ltd. (中船藍海星(北京)文化發展有限責任公司) at the 714 Research Institute (七一四研究所), to engage in diverse cooperation in areas such as science education, cultural and creative products, cultural services, and community building with its respective professional strengths and resource integration capabilities, aiming to promote the deep integration of technology and life, create distinctive cultural spaces, enrich residents' spiritual lives, and provide community residents with a better service experience.



8

August

1. The Group announced its 2025 interim results, with an operating revenue of approximately RMB23,190 million, representing a year-on-year increase of 10.2%, with core net profit attributable to the owners of approximately RMB1,570 million and bank deposits and structured deposits of approximately RMB16,470 million, demonstrating that the cash on hand of the Group was still sufficient. The revenue structure was diversified and optimised on an ongoing basis, and the revenue from core business continued to grow with strengthening fundamentals. Property management services recorded a revenue of approximately RMB13,610 million, representing a year-on-year increase of 6.7%. Community value-added services recorded a revenue of approximately RMB2,100 million, representing a year-on-year increase of 5.3%. The "Three Supplies and Property Management" service recorded a revenue of approximately RMB5,070 million, representing a year-on-year increase of 51.6%.
2. The Group's subsidiary, Beijing Zhongke Guoxing Innovation Service Co., Ltd.(北京中科國興創新服務有限公司) achieved formal strategical cooperation with National Public Nutrition Improvement Project Office (國家公眾營養改善項目辦公室). Leveraging its nationwide community network and solid local service capabilities, it deeply embedded physical service modules into community scenarios, and translated macro policy execution into health services that residents can perceive and access, effectively achieving "Health for Every Household (健康進萬家)", which was a significant breakthrough in overcoming the "Last Mile (最後一公里)" health service challenge, driving the upgrade of community public service functions and achieving a leap from single property service to all-round health guardianship.

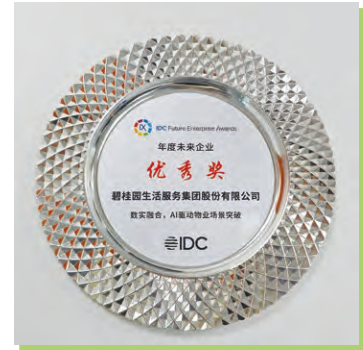


Major Events



September

1. The Group won the “2025 IDC China Future Enterprise Award” (2025年IDC中國未來企業大獎) for its “Integration of Digitalization and Reality with AI-Driven Breakthroughs in Property Scenarios (數實融合·AI驅動物業場景突破)”. The Company actively promoted new decision-making models reshaped by data intelligence, continuously enhanced data platform development, fully safeguarded customer privacy security, and has become the first enterprise in the industry to obtain PIA two-star certification. As an industry-leading mobile intelligent agent, the Company’s proprietary “No. 0 Assistant (零號助理)” empowered business operations to achieve rapid analysis and accurate decision-making. The human-machine collaboration products and solutions focusing on the large-scale application of the cleaning robot “No. 0 Resident (零號居民)”, have created a new service model of human-machine collaboration. At the same time, the Company also collaborated with ecological partners to build a “Property + Elderly Care + Health (物業+養老+健康)” service ecosystem, leading the industry towards intelligence and ecologization.
2. The Group’s subsidiary, Guangzhou Tianli Property Service Co., Ltd. (廣州天力物業發展有限公司), has been awarded the first carbon management system certification in the national property industry. Meanwhile, the “CarbonHug (碳護 CarbonHug)” mini-program, a carrier of the carbon inclusive mechanism, commenced operations, achieving for the first time in the industry that the carbon inclusive mechanism applies to tenant enterprises, tenant employees, and property employees within buildings. This award recognized the Company’s leading position in the sustainable development and zero-carbon operation of commercial buildings, marking that the “dual carbon (雙碳)” work has officially entered a new stage of systematic operation, and represented a significant breakthrough in the field of sustainable development.
3. The “AI Innovation Competition (AI創新大賽)” jointly organized by the Group and Tencent Cloud, served as the link to promote the application of AI technology in property services. By focusing on the actual needs of the property industry in operations, service, and management, it guides participating teams to explore AI application paths, thereby comprehensively promoting the deep integration of AI technology with property services and accelerating the transformation of technological achievements into actual service effectiveness.



10

October

1. The Group organized two open day events for the capital market and the media, held in Guangzhou and Shanghai respectively. The themes of the open days were “Human-Machine Collaboration • Enjoy Clean Moments” and “Human-Machine Synergy • Smart Living,” which fully demonstrated the deployment of the Group’s cleaning robot “No. 0 Resident”. In addition, the Group held face-to-face symposiums with investment institutions, analysts and the media, facilitating in-depth discussions on the latest application results and business developments of the Group’s cleaning robots. The events attracted over 50 authoritative buy-side and sell-side institutions, and the engagement exceeded expectations, earning recognition from investors. Following the events, leading domestic securities companies issued offline special research reports on the cleaning robots of the Group.



2. The Group organized studies on the spirit of the Fourth Plenary Session of the 20th CPC Central Committee and launched the 2nd Party-loving and patriotic corporate culture activity month. The Group’s grassroots governance case led by Party building has been selected as the “Yue Governance, Yue Beauty-Guangdong’s First Outstanding Cases of Grassroots Governance Led by Party Building (粵治粵美•廣東省首屆黨建引領基層治理優秀案例)” initiative by the Social Work Department of the CPC Guangdong Provincial Committee. Throughout the year, the Group received 24 provincial party-building honors.



11

November

The Group has signed an agreement with Anhui Keda Nengtong Technology Co., Ltd. (安徽科大能通科技有限公司) to jointly establish Anhui Anxun New Energy Technology Development Co., Ltd. (安徽安巡新能源科技發展有限責任公司). Leveraging the advantages of both shareholders, the company will focus on community new energy services to help standardise the construction of community charging infrastructure, provide property owners with more convenient charging products, explore additional service scenarios for new energy vehicles, inject new vitality into the innovative development of related industries, and create diversified value for property management.



December

1. The Group has formally established a strategic partnership with Mengniu Group for comprehensive collaboration in diversified dairy products. An “Efficiency Co-creation Mechanism (效率共創機制)” was jointly created, which significantly reduces the “Last mile (最後一公里)” delivery costs in communities, accelerates service response speed, and provides community residents with more convenient, healthy, and cost-effective dairy products and services through integrating the nationwide property management projects of the Company with Mengniu’s highly efficient and agile logistics network, thereby contributing to the construction of the “Quarter-hour Convenient Living Circle (一刻鐘便民生活圈)”.
2. At the 2025 Paper Responsibility Practitioners Annual Conference, the Group has secured two major honors through its systematic innovation and solid practice in green and low-carbon transformation and social welfare. The F·I·N·E City-friendly Service System of Tianli Commercial Office Building Service Division of the Group was awarded “Annual Responsibility Practice ESG (年度責任踐行ESG)”, while the party-mass volunteer service teams of the Company were recognized as the “Annual Responsibility Practice Public Welfare (年度責任踐行公益項目)”. These two awards demonstrate that the Company has deeply integrated sustainable development into its corporate strategy and daily operations, achieving synchronous resonance between commercial value and social value.
3. As at 31 December 2025, The Group’s self-developed “No. 0 Resident” cleaning robots have achieved large-scale deployment with 1,053 units delivered. Covering over 200 projects and over 2,500 buildings centered in Guangdong, these robots enable technology to genuinely serve the daily lives of hundreds of thousands of households through human-machine collaboration. This also marks the Company’s entry into a new phase of large-scale application in intelligent property management.



AWARDS AND HONOURS



1	2025 Leading Companies in China in terms of Commercial Property Service	CRIC Property Management, China Property Management Research Institution
2	2025 First in TOP 500 Property Management Companies in China in terms of Comprehensive Strength	CRIC Property Management, China Property Management Research Institution
3	2025 Leading Companies in China in terms of Smart Property Service	CRIC Property Management, China Property Management Research Institution
4	2025 Leading Companies in China in terms of Residential Property Service	CRIC Property Management, China Property Management Research Institution
5	2025 Leading Property Companies in China in terms of Premium Quality and Value	CRIC Property Management, China Property Management Research Institution
6	2025 Leading Companies in China in terms of Property Management Quality	CRIC Property Management, China Property Management Research Institution
7	2025 TOP 100 China Property Management Companies by Brand Value	CRIC Property Management, China Property Management Research Institution
8	2025 TOP 100 Property Management Companies in China	Beijing China Index Academy
9	2025 Outstanding Property Management Companies in China in terms of ESG Development	Beijing China Index Academy
10	2025 Outstanding Companies in China in terms of Commercial Property Service Capability	Beijing China Index Academy
11	2025 Leading Companies in terms of Smart City Service	Beijing China Index Academy
12	2025 TOP 10 of the TOP 100 Property Management Companies in China in terms of Business Performance	Beijing China Index Academy
13	2025 First in Good Employers in China's Property Industry	YIHAN, YIHAN Property Management Research
14	2025 China's Model Property Management Companies for Characteristic Properties (Community Value-added Services)	YIHAN, YIHAN Property Management Research
15	2025 TOP 10 of the TOP 100 Property Management Companies in China in terms of Business Performance	Beijing China Index Academy

Awards and Honours



16	2025 TOP 10 of the TOP 100 Property Management Companies in China in terms of Service Scale	Beijing China Index Academy
17	2025 Top 10 Listed Property Management Companies with Outstanding Financial Performance	Guandian Index Academy
18	2025 Influential Property Management Companies	Guandian Index Academy
19	2025 First in TOP 500 Property Management Companies in China in terms of Comprehensive Strength	CRIC Property Management, China Property Management Research Institution
20	2025 9th in TOP 100 Companies in Foshan, 2025 7th in TOP 100 Private Companies in Foshan	Foshan Enterprise Confederation, Foshan Entrepreneur Association
21	2025 5th in TOP 30 Companies in Foshan in terms of Profit and Tax Contribution, 2025 19th in TOP 30 Companies in Foshan in terms of Technological Innovation	Foshan Enterprise Confederation, Foshan Entrepreneur Association
22	2025 5th in TOP 100 Companies in Shunde	Foshan Shunde Enterprise Confederation (佛山市順德區企業聯合會), Foshan Shunde Entrepreneur Association (佛山市順德區企業家協會)
23	2025 Leading Companies in the Guangdong-Hong Kong-Macao Greater Bay Area in terms of Property Service Market Position	Beijing China Index Academy
24	2025 First in TOP 100 Property Management Companies in China in terms of Comprehensive Strength	CPM Think Tank
25	2025 Extraordinary Growth Company	China Investment Network, Biaodian Finance (標點財經), Investment Time (投資時間)
26	2025 Brand Value Research Report	CRIC Property Management, China Property Management Research Institution
27	2025 Leading Listed Property Management Companies in China in terms of ESG Sustainable Development	CRIC Property Management, CRIC (Shanghai) Information Technology Co., Ltd.
28	2025 Outstanding Enterprise	ifeng.com, House.ifeng.com, Fengcaixun
29	2025 Excellent Cases of Responsibility Practice – Public Welfare Project of Annual Responsibility Practice	The Paper
30	2025 China's Old Residential Communities Benchmark Project of Property Management – Linfen Residential Quarter, Jing'an District, Shanghai (上海市靜安區臨汾小區)	YIHAN, YIHAN Property Management Research

CHAIRMAN'S STATEMENT

To create a better society
with our existence



Dear Shareholders,

The board of directors (the “**Directors**”) of the Company hereby reports that the Group has achieved a revenue of approximately RMB48,353.7 million, with gross profit of approximately RMB8,455.9 million for the year ended 31 December 2025 (the “**Year**”). The core net profit* attributable to shareholders of the Company amounted to approximately RMB2,519.0 million. The Board proposed a dividend for the Year with a total amount of approximately RMB1,511.4 million, representing an increase of approximately RMB522.5 million as compared with 2024. The Company has fulfilled its share repurchase commitment, with total repurchases# amounting to approximately RMB502.9 million, and the repurchased shares have since been cancelled, in appreciation to all Shareholders for their continuous support to and trust in the Company.

“Building a Stable Foundation for a Shared Future” – this is not only a solemn commitment we make to our shareholders, but also the business philosophy to which CG Services has remained steadfast amid a dynamic and ever-changing market environment. The year 2025 marked a year of deep transformation and strategic foundation-building in the development of CG Services. Facing the dual pressures of deep industry restructuring and macroeconomic environment, our management and all employees have steadfastly implemented the strategic priorities of “ensuring stability, maintaining growth, and pursuing breakthroughs”. Through concerted efforts and mutual assistance, we navigated the cyclical fluctuations with strategic resolve. In terms of financial performance, our greater property management segment^ continued to serve as a stable pillar, generating revenue of approximately RMB33,111.8 million, representing a year-on-

* Core net profit attributable to the owners of the Company excluding share-based payment expenses, amortisation charges of intangible assets — contracts and customer relationships, insurance brokerage licenses and brands arising from mergers and acquisitions, impairment of goodwill and other intangible assets, impairment of loans to third parties pledged by equities, gains or losses from disposal of subsidiaries, expected losses on external guarantee, impairment provision or reversal of receivables from related parties, gains or losses on fair value changes of contingent considerations related to performance guarantees and the impact of the related income tax expenses and non-controlling interests arising from the aforementioned adjustments

During the period from 28 March 2025 to 12 February 2026

^ Greater property management segment includes the property management services, community value-added services, value-added services to non-property owners and other services

Chairman's Statement

year increase of approximately 6.2% and accounting for nearly 70% of the total revenue. We have continuously optimized our revenue structure, with revenue from related parties remaining at an extremely low level of approximately 1.1% for two consecutive years, having a leading position among top property management companies. This underscores our outstanding capability for market-driven, independent operations. These hard-won results validate our strategic choice of “building a stable foundation” and have accumulated strong momentum for a “shared future.”

Cash flow is the lifeblood of a property management company and the cornerstone of steady development. During the Year, we achieved a ratio of net cash from operating activities to core net profit attributable to the owners of the Company of approximately 1.0 time, successfully meeting the cash flow management target and providing a solid protection for stable operations. We implemented multiple measures to strengthen cash flow management, establishing effective long-term collection mechanisms to ensure sustained cash flow safety and health, providing a solid foundation for future development and shareholder returns.

Underpinned by our strategic direction, we have achieved milestone progress over the past year. Based on the “PARA” model encompassing People, Agent, Robot and AIoT, we have reshaped service processes to drive value creation through technological innovation. Through the collaborative work of human and robots, we have achieved multiple objectives such as cost reduction, quality improvement, and enhancement of satisfaction of property owners. Collaboration between human and intelligent agents has freed up property managers to focus more on property owner relationship management and community service innovation. Leveraging AIoT and intelligent agents for quality inspections, we have established closed-loop processes for automatic task assignment and effectiveness verification, improving response times. This innovative practice not only provides our distinctive solution for the digital and intelligent transformation of the industry but also demonstrates our future development direction of empowering traditional industries with technology.

Quality of services and operations remains fundamental to our operations and the most direct reflection of our commitment to “building a stable foundation”. In line with the industry development trend of comprehensively enhancing the quality of property services, the Group takes the satisfaction rate of property owners as its core orientation, improves its service standardization system, and responds to the society's urgent expectations for high-quality property services through tangible improvements in contract performance capabilities. In terms of project health management, we adhere to a categorized and targeted approach. For loss-making projects, we optimized resource allocation and implemented turnaround plans, achieving a considerable aggregate net profit amount. For projects with low satisfaction levels, we invested dedicated funds for improvement initiatives, with a focus on addressing customer complaints and enhancing service quality. For projects with high satisfaction but low profitability, we improved contract performance capabilities through digitalized operations and generated additional revenue by coordinating value-added services, achieving significant annual cost savings. Overall, digitalization-driven cost reduction and efficiency enhancement, together with business model innovation, have significantly improved operational efficiency and driven a comprehensive improvement in project health.

In the face of the surging wave of technology, we proactively embraced the change, and anchored artificial intelligence as a core competitive advantage for future development. In response to the industry development trend of building integrated smart community service platforms, the Group actively leverages digital and intelligent means to integrate community service resources and enhance the efficiency of convenient and beneficial services, ensuring the effective translation from technology empowerment into improved quality of lives for residents. We independently developed the “No. 0 Assistant (零號助理)” based on the technologies of large-scale AI models and took the lead in launching two applications, “I See (一看)” and “I Win (一問)”. “I See” serves as a data assistant for managers, covering over 8,000 management personnel to date. “I Win” functions as an intelligent agent team for employees, establishing an industry-leading AI knowledge base with cumulative Q&A exceeding 170,000 entries.



Simultaneously, we have deeply integrated AI and IoT technologies into our operations, with 273 units of ride-on commercial cleaning equipment integrated into the intelligent monitoring module achieving an equipment usage rate of 96% and reducing the cost of internally developed modules by approximately 75%; we have generated revenue of over RMB16 million from parking lot operations; and we have expanded the digitalization of elevator operations to cover nearly 190,000 units, resulting in an approximately 8% year-on-year decrease in complaints per hundred units, with digitalized inspection processes implemented across 98% of centrally procured projects. From efficiency enhancement and revenue growth to service upgrades, AIoT is reshaping our operational effectiveness. Our independently-developed cleaning robot “No. 0 Resident (零號居民)” has reconstructed a new model of human-machine collaboration. At the end of 2025, it has achieved scalable delivery and deployment of 1,053 units, covering more than 200 projects, over 2,500 buildings and 300,000 households. The first batch of 100 units has been in stable operation for over six months. At a project in Guangzhou, the deployment of robots led to an approximately 6-percentage point increase in customer satisfaction rate. This demonstrates that standardized and replicable robotic cleaning operations, characterized by stability and efficiency rate are driving improvements in both operational efficiency and customer satisfaction. Ultimately, the value of technology must be realized through tangible enhancements to the customer experience.

In market expansion, driven by service standardization and branding, we establish flagship projects with demonstration effects in more cities, supporting the high-quality development of the industry. In 2025, market expansion progressed steadily, with annualized revenue from newly contracted projects reaching approximately RMB2,030.0 million, representing a significant year-on-year increase of approximately 86.5%. We achieved new breakthroughs in both number of contracted projects and contract value in high-density core cities such as Hangzhou, Guangzhou and Shenzhen, as well as in key development cities including Suzhou, Kunming and Guiyang. In the IFM sector, we have successfully expanded into certain large-scale integrated service projects such as Qingdao Hisense Industrial Park (青島海信產業園) and Hangzhou Hikvision Headquarters Phase II (海康威視杭州總部二期), demonstrating our comprehensive capabilities in facilities management. Against the macro backdrop of accelerated urban renewal and the in-depth advancement of complete community construction, the Group closely aligns with the policy direction of high-quality housing development, strategically expands its presence in the market for existing properties, and actively undertakes property services following the renovation of old residential communities through its integrated “renovation + long-term operation” capabilities. The Group also promotes the implementation of safety management capabilities throughout the entire life cycle of buildings. Moreover, leveraged on the opportunity of construction of the “Quarter-hour Convenient Living Circle (一刻鐘便民生活圈)”, the Group accelerates its deployment of community commercial services, positioning itself as a key force in undertaking the extension of urban public services to the grassroots level.

In exploring value-added services, we have remained committed to a transition from resources-based services toward market-driven services, driving scale growth and quality enhancement in community value-added services. Our liquor business achieved revenue of approximately RMB709.0 million with a year-on-year increase of approximately 61.5% and customer repurchase rate rising to 61.3%. The total number of housekeeping service stations within the home services business increased to 121, with continuously expanding coverage. Meanwhile, in 2025, the pilot model featuring the separation of “operation, management and sales” for the housekeeping business was successfully validated, laying a foundation for replication and expansion in 2026. In alignment with the industry's pivot toward extending property services into the residential living domain, the active exploration of diversified lifestyle offerings including elderly care, community dining and household services, the Group has fully leveraged its inherent proximity to property owners to advance an evolutionary shift in its proposition from “serving residential communities” to “serving living experience”. By delivering one-stop lifestyle services, the Group endeavours to address the diverse demands of property owners and provide premium services that enrich people's quality of life. These breakthroughs, though seemingly small, are accumulating into a powerful momentum driving sustained business growth.



Chairman's Statement

Sustainable development represents our long-term commitment to society. The Company has continued to gain international recognition for its ESG practices, including an AA ESG rating from MSCI (the highest rating among industries in Chinese Mainland), being selected as FTSE4Good Index Series by FTSE Russell for four consecutive years and an award of enterprise with “Low Risk” by Sustainalytics. In terms of environment, our contracted energy management projects are expected to reduce carbon emissions by 8,101 tons, while paperless office initiatives have cumulatively cut emissions by 4,133 tons. As for social responsibility, we have provided a career development platform for over 7,200 veterans and formed over 4,500 service teams comprised of Party members and volunteers. In terms of corporate governance, business ethics training has achieved full coverage for all employees. We continue to advance the ESG concepts into our daily operations and respond through concrete actions to the expectations placed upon the Company in this era. Aligned with the nation's green and low-carbon development strategy and the prevailing policy directives toward brand building and standardization within the property sector, the Group will continue to deepen its energy-conservation and carbon-reduction initiatives. We will play an active role in grassroots community governance, fulfilling the bridging role of property services enterprises in resident self-governance, neighbourhood security stewardship and the provision of essential livelihood service, thereby demonstrating our responsiveness to the aspirations of all stakeholders across society through the tangible outcomes of high-quality corporate development.

Looking ahead, the nation's 15th Five-Year Plan outlines a new direction for high-quality development for property management industry, i.e, empowering service upgrades with technology, deepening grassroots governance with focus on people's wellbeing, and leading sustainable development through green low-carbon initiatives. For the first time, property services have been incorporated into the nation's top-level planning framework. Spanning the construction of quality housing, full life-cycle safety management of properties, the branding and standardization of lifestyle services, and the embedding of elderly care within communities, unprecedented favourable policies now extend across every core segment of the property industry, indicating that property services have decisively transitioned from a peripheral supporting function within the real estate ecosystem to an integral component of the people's livelihood infrastructure. CG Services will actively respond to the national strategy, prioritize customer satisfaction and accelerate the value flywheel of “Property Services – Market Expansion – Living Services”. Through continuously strengthening our operation foundation supported by the three major systems including digital intelligence empowerment, organizational efficiency enhancement and talent development, the Company endeavors to achieve high-quality and sustainable growth. We will further our “PARA” strategy, focusing on high-quality business development and value-added service innovation. While maintaining the steady development of our basic business operations, we aim to cultivate new growth curves, contributing to the advancement of the industry.

“Building a Stable Foundation for a Shared Future”, eight words for count, encapsulate the operational wisdom CG Services has gained over the past year, and also signal our unwavering belief for the future. We are well aware that “stability” represents the proactive actions to maintain composure amidst storms and to grasp the law in times of change; while “sharing” represents the long-term commitment to working in unison with our shareholders, customers, employees and society to create value together. Only with a deep and solid foundation can we flourish, and only by moving steadily can we go far and share in prosperity.

Finally, on behalf of the Board, I would like to express my sincerest gratitude to the management team and all employees. Your professionalism and resilience are the fundamental guarantees enabling CG Services to navigate through cycles and achieve enduring growth in a complex environment. At the same time, CG Services also extends sincere gratitude to our shareholders and the broader community for their trust and support. We will continue to reciprocate every trust with practical actions, joining hands to advance towards a new chapter, collectively creating a brighter future of high-quality development.

To create a better society with our existence.

To shape a prosperous future through our insistence on conscience and social responsibility awareness.

Yang Huiyan
Chairman of the Board

Foshan, China, 27 March 2026



FINANCIAL SUMMARY

CONSOLIDATED RESULTS

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	28,843,011	41,366,573	42,611,511	43,992,889	48,353,748
Profit before income tax	5,672,839	3,485,638	1,079,650	2,706,706	1,118,629
Income tax expense	(1,323,386)	(1,224,302)	(562,939)	(832,198)	(519,730)
Profit for the year	4,349,453	2,261,336	516,711	1,874,508	598,899
Profit attributable to:					
Owners of the Company	4,033,395	1,943,422	292,335	1,808,357	601,497
Non-controlling interests	316,058	317,914	224,376	66,151	(2,598)
	4,349,453	2,261,336	516,711	1,874,508	598,899
Earnings per share for profit attributable to owners of the Company (expressed in RMB cents per share)					
Basic	128.42	57.68	8.69	54.16	18.04
Diluted	128.01	57.68	8.69	54.16	17.94

CONSOLIDATED FINANCIAL POSITION

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Non-current assets	35,612,262	35,420,402	33,374,697	29,026,079	28,927,897
Current assets	31,200,496	34,656,494	35,869,377	42,228,452	42,912,412
Current liabilities	24,790,556	24,994,171	26,383,515	28,332,463	29,940,765
Net current assets	6,409,940	9,662,323	9,485,862	13,895,989	12,971,647
Total assets less current liabilities	42,022,202	45,082,725	42,860,559	42,922,068	41,899,544
Non-current liabilities	3,648,709	5,173,725	4,078,482	3,843,346	3,549,007
Equity attributable to owners of the Company	36,186,874	37,456,431	36,155,873	36,617,030	35,958,290
Non-controlling interests	2,186,619	2,452,569	2,626,204	2,461,692	2,392,247
Total equity	38,373,493	39,909,000	38,782,077	39,078,722	38,350,537

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS REVIEW

The Group is a leading integrated service provider in the PRC covering diversified business forms, including services to residential properties, commercial properties, office buildings, industrial parks, multi-purpose complexes, government buildings, hospitals, schools and other public facilities, such as airport terminals, highway service stations and cultural scenic areas. We have gained industry-leading satisfaction rate from customers and brand reputation with quality services, as well as high recognition in a number of sub-segments of the industry. We have won well-recognized awards in the industry including “2025 Leading Property Management Companies in China in terms of Marketisation of Business” (2025中國物業管理行業市場化運營領先企業) and “2025 Leading Companies in China in terms of Property Technology Empowerment” (2025中國物業科技賦能領先企業) granted by China Index Academy; “2025 First in Property Management Companies in China in terms of Comprehensive Strength” (2025中國物業企業綜合實力第1名) and “2025 First in Property Management Companies in China in terms of Service Capability” (2025中國物業企業服務力第1名) granted by YIHAN (億翰智庫); and “2025 Leading Property Management Companies in China in terms of Social Responsibility Contribution” (2025中國物業社會責任貢獻領先企業) and “2025 Leading Listed Property Management Companies in China in terms of ESG Sustainable Development” (2025中國物業管理上市公司ESG可持續發展領先企業) granted by CRIC Property Management.

The major business sectors of the Group include: (i) property management services, (ii) community value-added services, (iii) value-added services to non-property owners, (iv) the “Three Supplies and Property Management” business, (v) environmental business (the main business of the former city services business segment) and (vi) commercial operational services, which constitute part of our comprehensive services to customers that cover the full range of the value chain in property management.

Management Discussion and Analysis

Property Management Services

We provide property owners, residents and property developers with a series of property management services, including security, cleaning, green landscaping, gardening, repair and maintenance, and other services. During the Year, property management services recorded a revenue of approximately RMB27,929.6 million, representing a year-on-year increase of approximately 7.3% as compared to the same period of last year, and its percentage of total revenue amounted to approximately 57.8%.

The scale of the Group's property management business has been steadily expanding. As at 31 December 2025, apart from the "Three Supplies and Property Management" business, our revenue-bearing GFA was approximately 1,070.4 million sq.m.. In addition, the revenue-bearing GFA of the property management services of the "Three Supplies and Property Management" business was approximately 88.8 million sq.m.. We manage a total of 8,268 property projects, which cover 31 provinces, municipalities, autonomous regions in Chinese Mainland and the Hong Kong Special Administrative Region and overseas, focusing on five key economically developed city clusters, including the Pearl River Delta, the Yangtze River Delta, the middle reaches of the Yangtze River, the Beijing-Tianjin-Hebei Region and the Chengdu-Chongqing Region in China.

Customer satisfaction is an important foundation for the sustainable development of the Group. We have continued to build an efficient and lean operation system to support the stability of the basic foundation of services and property management. The Group actively invested in the development of core capabilities such as intelligent R&D and innovation, artificial intelligence and the Internet of Things (IoT), committed to empowering services with technology and continuously improving our service quality, operating efficiency and customer experience. During the Year, the "No. 0 Assistant (零號助理)", serving as a management data assistant and an employee AI agent partner, has covered over 8,000 management personnel, achieving a monthly active usage rate of over 80%, deployed 38 smart customer service agents, and accumulated more than 170,000 Q&A interactions. The cleaning robot "No. 0 Resident (零號居民)" has achieved scalable delivery and deployment of 1,053 units covering more than 200 projects. For a single project, achieved over 100% improvement in operation man-hours and over 60% increase in per capita operational area, along with a significant rise in project satisfaction. Driven by AIoT applications to reduce costs and increase revenue, we integrated 273 units of cleaning equipment into the intelligent monitoring module, increasing the equipment usage rate to 96%; achieved a revenue from parking lot operations, which increased by approximately RMB16.06 million. Digital monitoring covers approximately 188,000 elevators, achieving an integration rate of 98% and a year-on-year decrease of approximately 8% in elevator-related complaints, empowering the continuous improvement of service quality and operational efficiency with technology.

During the Year, the Group achieved remarkable results in market expansion, with newly added annualised revenue reaching approximately RMB2.03 billion, marking a significant breakthrough. Our city focus in market expansion continued to increase. In high-density core cities such as Hangzhou, Guangzhou and Shenzhen, the Group accumulatively signed 104 projects, and accumulatively signed 30 projects in key cities including Suzhou, Kunming and Guiyang. We successfully secured Hangzhou Zhuhai Shuiyun (杭州竹海水韻), which successfully established a market presence in the Hangzhou Chengxi Sci-Tech Innovation Corridor (杭州城西科創大走廊); and the first property owners' committee project in Suzhou. Suzhou Guantianxia Huayuan (蘇州觀天下花苑), laying a solid foundation for regional market expansion. During the Year, the Group's Integrated Facility Management (IFM) market expansion focused on seven major industries, targeting 44 leading corporate clients across key sectors such as the Internet, new energy, intelligent manufacturing and healthcare. We successfully secured benchmark projects, including Hikvision Hangzhou Headquarters (Phase II) (海康威視杭州總部二期), Qingdao Hisense Industrial Park (青島海信產業園), Guoneng Shenhua Jiujiang Power Plant (國能神華九江電廠) and the First People's Hospital of Zhaoqing (肇慶市第一人民醫院). The scope of services includes administration, security, engineering, environmental services, catering and conference services, demonstrating the Group's comprehensive service capabilities and industry penetration, which establishes a strong foundation for further deepening relationships with leading clients and expanding into diversified scenarios.

Management Discussion and Analysis

Community Value-added Services

We are committed to becoming an “integrated whole-cycle community living services operator”. By focusing on the family growth cycle of property owners, the property value cycle and the mature development cycle of communities, we strive to provide property owners with comprehensive community living services to meet their needs for asset value preservation and appreciation and daily living needs, so as to enable property owners to experience the beauty of property management services. Based on the community and property service scenarios, we continuously build community value-added service businesses that satisfy customers, and possess differentiation and marketization capabilities, and drive the shift in our business structure from resource-based businesses to market-oriented businesses, thereby driving the scale expansion and quality improvement of our community value-added services.

Five major businesses have formed in our community value-added services sector: (i) home services – providing property owners with safe, convenient, professional and considerate full – range home services through a standardized operation system; (ii) community media services – establishing deep connection between consumers and brands through the community media matrix; (iii) local living services – setting up local consumption scenarios for customers and continuously adapting to the needs of property owners to customize diversified life services; (iv) real estate brokerage services – serving the needs of property owners for asset management and further developing second-hand property rental and sale; and (v) community area services – making full use of community space resources and carrying out business with the aim of providing convenience to the life of property owners and improving their sense of happiness in their living.

During the Year, the revenue from the Group’s community value-added services was approximately RMB4,416.5 million, representing a year-on-year increase of approximately 5.0% as compared to the same period of last year, and its percentage of total revenue was approximately 9.1%. In particular, the revenue from local living services amounted to approximately RMB2,607.9 million, representing a year-on-year increase of approximately 19.0% as compared with the same period of last year. The retail, liquor business and new energy business under the local living services have established a market-oriented deployment and achieved scaled revenue. The liquor business has improved sales and operational efficiency by continuously optimizing its supply chain product selection, which steadily strengthened its operational foundation and significantly enhanced the core performance indicators, with the revenue increased by 61.5% year-on-year, reaching approximately RMB709.0 million. The customer repurchase rate increased to 61.3%, representing a significant improvement as compared to last year. Our home services provide property owners with services such as cleaning, housekeeping and appliance repair and cleaning. During the Year, the revenue from home services was approximately RMB575.7 million. By deepening service site operations, strengthening supply chain control and the coordination of marketing, we achieved significant achievements in the pilot validation of home services. The number of service sites increased to 121, with concurrent improvement in revenue per service site.

Value-added Services to Non-Property Owners

During the Year, the revenue from value-added services to non-property owners was approximately RMB630.3 million, representing a year-on-year decrease of approximately 10.6% as compared to the same period of last year, and its percentage of the Group’s total revenue further decreased to approximately 1.3%. The value-added services to non-property owners we provide mainly include (i) management consultancy services to property developers for their presale activities, as well as consultancy services for properties managed by other property management companies; (ii) cleaning services, green landscaping, repair and maintenance services to property developers at the pre-delivery stage; (iii) sales and leasing agency services of unsold parking spaces and properties; and (iv) elevator products installation, supporting services and other services.



Management Discussion and Analysis

“Three Supplies and Property Management” Business

The Group established a joint venture in 2018 and began to undergo the separation and transfer of property management and heat supply under the “Three Supplies and Property Management” reform. As of 31 December 2025, the revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” business was approximately 88.8 million sq.m.. During the Year, the revenue from the property management business was approximately RMB9,578.7 million, accounting for approximately 19.8% of the total revenue, and the revenue from the heat supply business was approximately RMB1,687.5 million, accounting for approximately 3.5% of the total revenue.

During the Year, the Group continued to solidify its service and operational foundation. In the residential sector, we persistently carried out quality enhancement initiatives, refined our standardized service system, and improved service quality and efficiency through lean management. Five projects under our management were recognized as case studies in the Improvement Cases for Service Quality of Residential Community Property published by the China Property Management Institute. In terms of business expansion, we deepened our presence across diverse sectors, extending production logistics and operational support services to core areas such as oil and gas fields and refining devices.

Environmental Business

The Group focuses on core sectors such as intelligent operation and maintenance of urban (ecological) environments, solid waste disposal and resource utilization, environmental protection governance, green technology services, manufacturing and leasing of environmental industry technology equipment and industrial services. We provide comprehensive environmental protection governance solutions covering environmental protection design, construction & renovation, and intelligent operation for urban development, industrial upgrading, and livable communities. During the Year, our environmental business recorded a revenue of approximately RMB3,355.3 million, and its percentage of the Group’s total revenue decreased to approximately 6.9%. During the Year, the Group focused on enhancing operational quality, consolidating its foundation and pursuing prudent expansion as core priorities, driving continuous optimization in organizational structure, project quality and regional layout. Through smart sanitation, equipment upgrades and refined operations, we consistently improved the operational efficiency, profitability and cash flow quality of our environmental business.

Commercial Operational Services

The Group provides shopping malls, neighborhood commercial centers, office buildings and other projects with full-chain services such as business planning consulting, tenant sourcing, operation and planning services, mainly including (i) conducting commercial operation and management of the properties owned by leasing developers or property owners; (ii) providing property market research and positioning services to property developers at the investment stage; (iii) providing market research and positioning, business planning consulting, tenant solicitation and opening preparation services to property developers or owners at the preparation stage before the opening of the properties; and (iv) providing tenant solicitation, operation and management services to property owners or tenants at the stage of property operation.

During the Year, the commercial operational management business segment of the Group achieved a total revenue of approximately RMB620.4 million, accounting for approximately 1.3% of the total revenue. Our commercial operational services formed various product line matrix, including city-grade full-service shopping mall “Bele city” (碧樂城), regional shopping mall “Bele one” (碧樂匯) and community neighbourhood commercial center “Bele time” (碧樂時光). During the Year, the Group actively promoted third-party expansion, successfully expanded and implemented Bele City in Boxing, Binzhou, Shandong (山東濱州博興碧樂城) and Bele One in Sanhe, Langfang, Hebei (河北廊坊三河碧樂匯).



Management Discussion and Analysis

PROSPECTS AND FUTURE PLANS

Lean operations: deepen the grading of services to build a highly efficient operation system

Customer recognition and satisfaction are the fundamental driving forces behind the sustainable development of the Group. In the future, we will adopt a dual-wheel driven approach combining service grading and digital empowerment to comprehensively advance the refined operation of our projects, implementing targeted empowerment and precise optimisation for projects in different business forms and at various stages of operational performance. For projects with low satisfaction levels, we will precisely allocate resources to address service quality gaps and enhance our reputation among the property owners. For low profit or loss making projects, we will improve profitability through optimised resource allocation, innovative models and enhanced operational efficiency, fostering a virtuous cycle of quality improvement, efficiency gains and sustainable growth across all projects. Leveraging digital tools, we will monitor project operations in real time and capture the core needs of property owners. By integrating data aggregation and analysis, we will formulate scientific management approaches and decision making recommendations, while standardising service protocols across all scenarios to ensure consistent service delivery. This will enable more precise operational decisions, more efficient on-site responses and more stable service quality, thereby building a solid foundation for the Group's long-term, high-quality and sustainable development.

Community value-added services: focus on the core needs to accelerate the market-oriented development of community value-added services

The Group is committed to becoming a “provider of integrated whole-cycle community living services”. Focusing on the core lifestyle needs of property owners, we continue to establish market-oriented businesses including integrated marketing, local retail, liquor and new energy. Moving forward, we will focus on three core levers: scenario-based product, expansion in strategic regions and in-depth private domain operations, driving the transformation of the alcohol business from selling single products to providing scenario-based solutions. For the in-home services business, we will accelerate the replication and expansion upon the rollout of pilot model, deepen the achievements of the “separation of operation, marketing and management”, and strengthen supply chain control and the coordination of operation and marketing. Meanwhile, we will build core business capabilities, strengthen team building, and drive the transformation of our business structure from resource-based operations to market-oriented operations, thereby fueling the scale expansion and quality enhancement of our community value-added services.

Technology empowerment: deepening PARA cooperation and evolution, to reshape a new smart service ecosystem

With artificial intelligence technology entering the stage of large-scale commercial application, the property services industry is undergoing a disruptive transformation. The Group has consistently driven digital transformation, reshaping service procedures with a PARA cooperation and evolution model, representing a convergence of four forces of “People, Agent, Robot and AIoT”. In the future, the Company will promote the deep synergy between the PARA model and the transformation of its operating system. Centered around People, Agent, Robot and AIoT, the Company will continue to elevate its on-site operating model, accelerating the transformation of service organisations from traditional manual operations to human-machine collaboration and data-driven models.



FINANCIAL REVIEW[#]

Revenue

The Group's revenue is mainly derived from (i) property management services, (ii) community value-added services, (iii) value-added services to non-property owners, (iv) "Three Supplies and Property Management" business, (v) environmental business and (vi) commercial operational services. For the year ended 31 December 2025, the total revenue increased by approximately 9.9% to approximately RMB48,353.7 million from approximately RMB43,992.9 million for the year ended 31 December 2024. Such increase was mainly attributable to the comprehensive impact of the continued growth in the revenue from property management services, community value-added services, and the "Three Supplies and Property Management" business of the Group, as offset by the decrease in revenue from value-added services to non-property owners as a result of proactive suppression of the Group's transaction amounts with customers whose credit risks have significantly increased (the "**High-Risk Customers**") and the decline in revenues from environmental business and commercial operational services. Specific revenue by business is shown below:

(i) Property management services

During the Year, the revenue from property management services increased by approximately 7.3% to approximately RMB27,929.6 million from approximately RMB26,021.9 million for the year ended 31 December 2024, accounting for approximately 57.8% of the total revenue (for the same period in 2024: approximately 59.2%).

The following table sets out the breakdown of the revenue-bearing GFA of the properties developed by Country Garden Real Estate Group and the properties developed by independent third-party property developers, respectively, for the years indicated:

	As of 31 December 2025		As of 31 December 2024	
	Revenue-Bearing GFA ('000 sq.m.)	(%)	Revenue-Bearing GFA ('000 sq.m.)	(%)
Properties developed by independent third-party property developers	544,313	50.9	530,859	51.2
Properties developed by Country Garden Real Estate Group ^(Note 1)	526,106	49.1	506,013	48.8
Total	1,070,419	100.0	1,036,872	100.0

Note 1: Properties developed by Country Garden Holdings Company Limited ("**CG Holdings**" or "**CGH**") and its subsidiaries ("**CGH Group**"), joint ventures and associates (the "**Country Garden Real Estate Group**") independently or jointly with other parties.

[#] Due to the reorganization of business units and change in the internal reporting system during the Year, the Group reclassified non-environmental business previously included in city services to property management and related services business other than "Three Supplies and Property Management" business. Therefore, the principal business of the Group are adjusted as: (i) property management services, (ii) community value-added services, (iii) value-added services to non-property owners, (iv) "Three Supplies and Property Management" business, (v) environmental business and (vi) commercial operational services. Accordingly, the Group restated the relevant figures for the year ended 31 December 2024.

Management Discussion and Analysis

As at 31 December 2025, the revenue-bearing GFA of the Group increased by approximately 33.5 million sq.m. from approximately 1,036.9 million sq.m. as at 31 December 2024 to approximately 1,070.4 million sq.m., mainly due to the increase in revenue-bearing GFA from third parties resulted from the proactive expansion, and the conversion of the Group's reserved contracted GFA of the properties developed by Country Garden Holdings Company Limited ("**CG Holdings**" or "**CGH**") and its subsidiaries, joint ventures and associates into revenue-bearing GFA during the Year.

(II) Community value-added services

During the Year, the revenue from community value-added services increased by approximately 5.0% to approximately RMB4,416.5 million from approximately RMB4,208.1 million for the year ended 31 December 2024, accounting for approximately 9.1% of the total revenue (for the same period in 2024: approximately 9.6%).

The increase in revenue from community value-added services was mainly attributable to:

- (a) During the Year, the revenue from local living services increased by approximately 19.0% to approximately RMB2,607.9 million from approximately RMB2,190.7 million for the year ended 31 December 2024.
- (b) During the Year, the revenue from community media services decreased by approximately 18.5% to approximately RMB524.0 million from approximately RMB642.8 million for the year ended 31 December 2024.
- (c) During the Year, the revenue from home services decreased by approximately 1.1% to approximately RMB575.7 million from approximately RMB582.0 million for the year ended 31 December 2024.
- (d) During the Year, the revenue from real estate brokerage services increased by approximately 6.3% to approximately RMB346.5 million from approximately RMB326.1 million for the year ended 31 December 2024.
- (e) During the Year, the revenue from community area services decreased by approximately 22.3% to approximately RMB362.4 million from approximately RMB466.5 million for the year ended 31 December 2024.

The increase in the revenue from community value-added services was mainly attributable to the growth in revenue from liquor products, retail and new energy business under local living services.

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

During the Year, the revenue from value-added services to non-property owners decreased by approximately 10.6% to approximately RMB630.3 million from approximately RMB705.2 million for the year ended 31 December 2024, accounting for approximately 1.3% of the total revenue (for the same period in 2024: approximately 1.6%).

The decrease in revenue from value-added services to non-property owners was mainly due to the continuous and proactive suppression of the transaction scale with related parties by the Group.



Management Discussion and Analysis

(IV) “Three Supplies and Property Management” Business

During the Year, the revenue from the “Three Supplies and Property Management” business includes the revenue arising from property management and other related services and heat supply services, among which, the revenue from property management and other related services increased by approximately 46.5% to approximately RMB9,578.7 million from approximately RMB6,539.3 million for the year ended 31 December 2024, accounting for approximately 19.8% of the total revenue (for the same period in 2024: approximately 14.9%).

The revenue from heat supply services increased by approximately 4.4% to approximately RMB1,687.5 million from approximately RMB1,617.0 million for the year ended 31 December 2024, accounting for approximately 3.5% of the total revenue (for the same period in 2024: approximately 3.7%).

The increase in the revenue from the “Three Supplies and Property Management” business was mainly due to the Group’s further expansion of its service categories, as well as the increase in revenue scale resulting from several subsidiaries acquiring the remaining equity interests in certain associates and joint ventures, thereby converting them into holding subsidiaries.

(V) Environmental Business

During the Year, the revenue from environmental business decreased by approximately 17.0% to approximately RMB3,355.3 million from approximately RMB4,041.5 million for the year ended 31 December 2024, accounting for approximately 6.9% of the total revenue (for the same period in 2024: approximately 9.2%).

The decrease in the revenue from environmental business was mainly due to the Group’s prudent approach in expanding new projects while proactively withdrawing from certain underperforming environmental sanitation projects.

(VI) Commercial Operational Services

During the Year, the revenue from commercial operational services decreased by approximately 1.1% to approximately RMB620.4 million from approximately RMB627.0 million for the year ended 31 December 2024, accounting for approximately 1.3% of the total revenue (for the same period in 2024: approximately 1.4%).

The decrease in the revenue from commercial operational services was due to the Group’s strategic withdrawal from several loss-making projects in order to optimize its business structure.

Costs

The Group’s costs include (i) staff cost, (ii) cleaning cost, (iii) heat supply cost, (iv) maintenance cost, (v) utilities, (vi) greening and gardening cost, (vii) security expenses, (viii) cost of sales of goods, (ix) transportation cost, (x) office and communication cost, (xi) taxes and surcharges, (xii) employee uniform expenses, (xiii) depreciation and amortisation charges, (xiv) community activities cost, (xv) travelling and entertainment cost, (xvi) construction costs for infrastructure under service concession arrangements, (xvii) other labor outsourcing costs, and (xviii) others. During the Year, the costs were approximately RMB39,897.8 million, representing an increase of approximately 12.1% as compared to approximately RMB35,592.3 million for the year ended 31 December 2024. The increase in costs was mainly due to the combined impact of the increased amount of the related costs as a result of the growth in the Group’s property management services, community value-added services and “Three Supplies and Property Management” business, which exceeded the decreased amount of the cost related to value-added services to non-property owners, environmental business and commercial operational services.

Management Discussion and Analysis

Gross Profit and Gross Profit Margin

During the Year, the overall gross profit increased by approximately RMB55.3 million to approximately RMB8,455.9 million from approximately RMB8,400.6 million for the year ended 31 December 2024, representing an increase of approximately 0.7%.

During the Year, the overall gross profit margin decreased by 1.6 percentage points to approximately 17.5% from approximately 19.1% for the year ended 31 December 2024. The decrease in overall gross profit margin was mainly due to the phased adjustments in the gross profit margins of the community value-added services, environmental business and the “Three Supplies and Property Management” business resulting from the changes in the Group’s business structure.

(i) **Property management services**

During the Year, the gross profit margin of property management services increased by 0.6 percentage point to approximately 20.6% from approximately 20.0% for the year ended 31 December 2024.

The increase in gross profit margin of property management was mainly attributable to the implementation of refined project operation systems and digital management, under which the Group optimized resource input for historically loss-making and low-margin projects to enhance operational efficiency while meeting the needs of the property owners; and a series of cost-saving measures, including centralized procurement, deployment of cleaning robots and upgrading of intelligent IoT equipment. Meanwhile, the Company also devoted dedicated quality investment to projects with low satisfaction levels, striving to improve service quality, customer experience and satisfaction.

(ii) **Community value-added services**

During the Year, the gross profit margin of community value-added services decreased by 9.5 percentage points to approximately 28.9% from approximately 38.4% for the year ended 31 December 2024.

Due to the impact from cyclical economic fluctuations, the gross profit margins of certain community value-added services of the Group experienced a phased adjustment, which was mainly reflected in the following aspects: firstly, the changes in the external environment had a phased impact on certain businesses, primarily including: (i) a decrease in demand from advertising agency clients for resource allocation, leading to a decline in the unit prices of the media business and a reduced revenue contribution from the resource packaging business with high gross profit; (ii) a significant decline in new property handover due to the cyclical impact in the real estate market, leading to a decrease in the platform-based merchant solicitation model business with high gross profit, which dragged down the overall gross margin. Secondly, in response to changes in the external environment and customer demand, the Group proactively adjusted its strategic business layout, including the transformation of the retail business towards essential products targeting C-end clients and increased investment in integrated marketing for the media business. These initiatives are aimed at enhancing the Group’s long-term business competitiveness, however, such strategic adjustments and investments have had a certain impact on the gross profit margins during the Year.

(iii) **Value-added services to non-property owners**

During the Year, the gross profit margin of value-added services to non-property owners increased by 2.2 percentage points to approximately 4.1% from approximately 1.9% for the year ended 31 December 2024.

The increase in gross profit margin of value-added services to non-property owners was mainly due to the active deployment of market-oriented operations in the elevator installation and maintenance business during the Year, which led to an increase in related gross profits as compared with the same period last year.

Management Discussion and Analysis

(iv) “Three Supplies and Property Management” Business

During the Year, for the “Three Supplies and Property Management” business, the gross profit margin of property management and other related services decreased from approximately 10.0% for the year ended 31 December 2024 to approximately 7.9%, representing a decrease of 2.1 percentage points.

The decrease in the gross profit margin of the property management and other related services under the “Three Supplies and Property Management” business was mainly due to the consolidation of low-margin production operation services and engineering services, thus reducing the overall gross profit margin.

During the Year, for the “Three Supplies and Property Management” business, the gross profit margin of heat supply services decreased from approximately 5.9% for the year ended 31 December 2024 to approximately 5.7%, representing a decrease of 0.2 percentage point.

The gross profit margin of heat supply services under the “Three Supplies and Property Management” business remained stable.

(v) Environmental Business

During the Year, the gross profit margin of environmental business decreased from approximately 14.6% for the year ended 31 December 2024 to approximately 9.8%, representing a decrease of 4.8 percentage points.

The decline in the gross profit margin of environmental business was mainly due to the intensified market competition, which led to lower service prices for some projects, while pressure on the cost persisted, resulting in a double squeeze on profit margins.

(vi) Commercial Operational Services

During the Year, the gross profit margin of commercial operational services increased from approximately 16.4% for the year ended 31 December 2024 to approximately 24.3%, representing an increase of 7.9 percentage points.

The increase in the gross profit margin of commercial operational services was mainly due to the Group’s strategic withdrawal from several loss-making projects.

General and Administrative Expenses

During the Year, general and administrative expenses were approximately RMB4,614.6 million, representing an increase of approximately 3.9% as compared with approximately RMB4,442.7 million for the year ended 31 December 2024, which was mainly due to the increase in the number of projects under the Group’s management and the expansion of the scale of the “Three Supplies and Property Management” business. The general and administrative expenses ratio decreased by 0.6 percentage point from approximately 10.1% for the same period in 2024 to approximately 9.5%.

Other Income

During the Year, other income was approximately RMB176.5 million, representing a decrease of approximately 30.6% as compared with approximately RMB254.4 million for the year ended 31 December 2024.

The decrease in other income was mainly due to the decrease in government subsidy and dividend income generated from equity investments in certain entities during the Year as compared with the same period last year.

Management Discussion and Analysis

Other (Losses)/Gains – Net

During the Year, other losses — net were approximately RMB189.7 million, representing an increase of losses of approximately RMB674.4 million as compared with the other gains — net of approximately RMB484.7 million for the year ended 31 December 2024.

The increase in other losses — net was mainly due to the decrease in gains on fair value changes of contingent considerations and net foreign exchange gains during the Year.

Income Tax Expense

During the Year, income tax expense was approximately RMB519.7 million, representing a decrease of approximately 37.6% as compared to approximately RMB832.2 million for the year ended 31 December 2024. The decrease in income tax expense was mainly due to the decrease in the total profit for the Year of the Group as compared with the same period last year.

Profit for the Year

During the Year, the net profit of the Group was approximately RMB598.9 million, representing a decrease of approximately 68.1% as compared to approximately RMB1,874.5 million for the year ended 31 December 2024.

During the Year, the profit attributable to the owners of the Company was approximately RMB601.5 million, representing a decrease of approximately 66.7% as compared to approximately RMB1,808.4 million for the year ended 31 December 2024.

During the Year, the profit attributable to the non-controlling interests of the Company was approximately RMB-2.6 million, representing a decrease of approximately 103.9% as compared to approximately RMB66.2 million for the year ended 31 December 2024.

During the Year, the core net profit* attributable to the owners of the Company was approximately RMB2,519.0 million, representing a decrease of approximately 17.1% as compared to approximately RMB3,038.1 million for the year ended 31 December 2024.

Non-Hong Kong Financial Reporting Standards (Non-HKFRS) Financial Measure

To supplement the consolidated results of the Group prepared in accordance with HKFRS, the Company has presented the core net profit* attributable to the owners of the Company as an additional financial measure. This unaudited non-HKFRS financial measure should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with HKFRS. In addition, the definitions of such non-HKFRS financial measures may differ from those used by other companies. As such, this non-HKFRS financial measure may not be comparable to similarly titled measures presented by other companies.

The Company's management believes that the non-HKFRS financial measure, by excluding certain non-cash items, non-operating items and non-recurring items, provides useful supplementary information to both the Company's management and investors for assessing the Group's core operating results and financial performance.

* Core net profit attributable to the owners of the Company excluding share-based payment expenses, amortisation charges of intangible assets — contracts and customer relationships, insurance brokerage licenses and brands arising from mergers and acquisitions, impairment of goodwill and other intangible assets, impairment of loans to third parties pledged by equities, gains or losses from disposal of subsidiaries, expected losses on external guarantee, impairment provision or reversal of receivables from related parties, gains or losses on fair value changes of contingent considerations related to performance guarantees and the impact of the related income tax expenses and non-controlling interests arising from the aforementioned adjustments.

Management Discussion and Analysis

The following table sets forth the reconciliation of the Group's non-HKFRS financial measures for the years ended 31 December 2025 and 2024 to the nearest measures prepared in accordance with HKFRS:

	For the year ended 31 December	
	2025	2024
	(RMB in million)	
Profit attributable to the owners of the Company (HKFRS measures)	601.5	1,808.4
Adjustments		
Add: share-based payment expenses	183.1	123.3
Add: amortisation charges of intangible assets — contracts and customer relationships, insurance brokerage licenses and brands arising from mergers and acquisitions	1,088.4	1,110.0
Add: impairment of goodwill and other intangible assets	968.9	990.0
Add: impairment of loans to third parties pledged by equities	256.4	82.3
Add: gains or losses from disposal of subsidiaries	91.6	38.6
Add: expected losses on external guarantee	83.3	40.0
Add: impairment provision or reversal of receivables from related parties	-313.1	-312.6
Add: gains or losses on fair value changes of contingent considerations related to performance guarantees	-7.5	-531.9
Less: income tax effects of non-HKFRS adjustments	346.7	242.4
Less: non-controlling interests of non-HKFRS adjustments	86.9	67.6
Core net profit attributable to the owners of the Company (non-HKFRS measures)	2,519.0	3,038.1

The Company's management would like to clarify the discontinuation of the presentation of the adjusted revenue[#] indicator as follows: since August 2023, based on the principle of prudence, the Group adopted a more stringent revenue recognition policy for customers with significantly increased credit risk: revenue is recognised only when the Group has fulfilled its performance obligations and the consideration from such customers has been actually received. As this change took effect commencing August 2023, the adjusted revenue[#] was presented in the 2024 annual results announcement and was compared with the relevant indicator for 2023, with the aim of eliminating the timing differences in revenue recognition arising from customers with significantly increased credit risk, thereby providing the Shareholders with a comparable analysis of operating performance. Given that the change in the timing of revenue recognition for such customers has been fully implemented across the two full financial years of 2024 and 2025, the revenue data presented has already fully reflected the impact of this policy. The Group considers that the 2025 annual results are sufficiently comparable, and therefore the adjusted revenue[#] indicator will no longer be presented, so as to simplify financial reporting disclosures and enhance information clarity.

Net Cash Generated from Operating Activities during the Year

During the Year, the net cash generated from operating activities of the Group amounted to approximately RMB2,507.9 million, representing a decrease of approximately 35.2% as compared to approximately RMB3,873.1 million for the year ended 31 December 2024.

[#] The Group did not recognise revenue in respect of the consideration receivable but not yet collected from the High Risk Customers even though the relevant contractual obligations have been fulfilled by the Group (the "Uncollected Amounts from the High Risk Customers"). The adjusted revenue represents the revenue after adding back the Uncollected Amounts from the High Risk Customers.

Management Discussion and Analysis

The ratio of net cash generated from operating activities divided by the core net profit* attributable to the owners of the Company was approximately 1.0 time for the Year, representing a decrease of approximately 0.3 time as compared to approximately 1.3 times for the year ended 31 December 2024. The decrease in the ratio was mainly due to the year-on-year decrease in the net contribution from prepayments of the property management business of the Group.

The Equity Attributable to Owners of the Company

The equity attributable to owners of the Company decreased from approximately RMB36,617.0 million as at 31 December 2024 to approximately RMB35,958.3 million as at 31 December 2025, representing a decrease of approximately RMB658.7 million, which was mainly attributable to the combined effect of: (i) the increase in the equity attributable to the owners of the Company as a result of the total comprehensive income attributable to the owners of the Company of RMB526.8 million during the Year, (ii) the decrease in equity attributable to the owners of the Company as a result of the repurchase/purchase of shares by the Company of approximately RMB378.1 million during the Year, (iii) the decrease in the equity attributable to the owners of the Company as a result of the declaration of the dividend for year 2024 of approximately RMB988.9 million during the Year.

Intangible Assets

The intangible assets of the Group mainly comprise goodwill arising from equity acquisitions, contracts and customer relationships, software assets, insurance brokerage licenses, brands and concession intangible assets.

As at 31 December 2025, the intangible assets of the Group were approximately RMB20,197.0 million, representing a decrease of approximately RMB1,965.3 million compared to approximately RMB22,162.3 million as at 31 December 2024, which was mainly due to the Group's full impairment of approximately RMB968.9 million recognised during the Year in respect of the remaining carrying amount of goodwill of Manguo, a non-wholly-owned subsidiary of the Company, as well as the amortisation of approximately RMB1,204.3 million arising from intangible assets during the Year.

Trade and Other Receivables

Trade and other receivables include trade receivables, other receivables, prepayments to suppliers and prepayments for other taxes.

As at 31 December 2025, the Group recorded net trade receivables of approximately RMB18,806.8 million, representing an increase of approximately RMB1,117.4 million compared to approximately RMB17,689.4 million as at 31 December 2024. This was mainly attributable to the longer cycle of payment of customers for property management services and environmental business of the Group. Meanwhile, the faster increase in the revenue scale of the "Three Supplies and Property Management" business resulted in the increase in the corresponding trade receivables.

As at 31 December 2025, the Group recorded trade receivables from CGH and its subsidiaries of approximately RMB2,048.7 million, representing a decrease of approximately RMB316.0 million compared to approximately RMB2,364.7 million as at 31 December 2024, and approximately RMB311.1 million of the total expected credit loss provision for the trade receivables from CGH and its subsidiaries was thus reversed accordingly.

* Core net profit attributable to the owners of the Company excluding share-based payment expenses, amortisation charges of intangible assets — contracts and customer relationships, insurance brokerage licenses and brands arising from mergers and acquisitions, impairment of goodwill and other intangible assets, impairment of loans to third parties pledged by equities, gains or losses from disposal of subsidiaries, expected losses on external guarantee, impairment provision or reversal of receivables from related parties, gains or losses on fair value changes of contingent considerations related to performance guarantees and the impact of the related income tax expenses and non-controlling interests arising from the aforementioned adjustments.

Management Discussion and Analysis

The net other receivables was approximately RMB4,531.8 million as at 31 December 2025, representing an increase of approximately RMB868.6 million compared to approximately RMB3,663.2 million as at 31 December 2024, which was mainly due to the granting of loans of RMB1,000.0 million to the related parties wholly owned by the ultimate controlling shareholder during the Year.

Contract Liabilities

The contract liabilities mainly arose from the advance payments made by customers for relevant services such as property management services, community value-added services and the “Three Supplies and Property Management” business, which are yet to be provided.

The contract liabilities increased from approximately RMB8,245.3 million as at 31 December 2024 to approximately RMB8,877.9 million as at 31 December 2025, representing an increase of approximately RMB632.6 million. The increase in contract liabilities was mainly due to the increase in the advance payments for the “Three Supplies and Property Management” business during the Year.

Trade and Other Payables

Trade and other payables include trade payables, other payables, contingent consideration for business combinations, payroll payables and other tax payables.

Trade payables primarily represent payables for goods or services that have been acquired in the ordinary course of business from suppliers, including purchase of goods, materials and utilities as well as purchase from sub-contractors.

As at 31 December 2025, trade payables of the Group were approximately RMB9,815.2 million, representing an increase of approximately RMB1,181.0 million compared to approximately RMB8,634.2 million as at 31 December 2024, primarily due to the increase in the costs of sales resulting in the increase in the procurement costs of related goods and materials, labor outsourcing costs and utility fees.

Other payables primarily include (i) deposits from property owners in relation to interior decorations; (ii) temporary receipts of fees from property owners (mainly consisting of utilities fees collected from property owners and income generated from common area value-added services that belongs to property owners); (iii) provision for financial guarantee; (iv) outstanding considerations payable for business combinations; (v) dividend payables; and (vi) accruals and others (mainly in relation to payables to third parties and advances).

Other payables decreased from approximately RMB6,021.3 million as at 31 December 2024 to approximately RMB5,983.3 million as at 31 December 2025, primarily due to the decrease in deposit and security.

Capital Management

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

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

The Group monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest-bearing debt less cash and cash equivalents.

As at 31 December 2025, the bank and other borrowings of the Group amounted to approximately RMB1,626.8 million (31 December 2024: approximately RMB870.3 million). All borrowings due during the Year were repaid on time.

As at 31 December 2024 and 2025, the gearing ratio of the Group was maintained at a net cash position.

Management Discussion and Analysis

Liquidity, Financial and Capital Resources

As at 31 December 2025, the bank deposits (being cash and cash equivalents, time deposits and restricted bank deposits) and structured deposits of the Group were approximately RMB17,931.0 million, representing a decrease of approximately RMB247.6 million as compared with approximately RMB18,178.6 million as at 31 December 2024. The bank deposits and structured deposits were denominated in the following currencies:

	31 December 2025		31 December 2024	
	(RMB'000)	(%)	(RMB'000)	(%)
RMB	14,400,957	80.3	13,833,239	76.1
HKD	2,135,844	11.9	172,271	0.9
Other currencies	1,394,177	7.8	4,173,092	23.0
	17,930,978	100.0	18,178,602	100.0

Out of the bank deposits and structured deposits of the Group, there are: (i) time deposits of approximately RMB3,979.2 million (31 December 2024: approximately RMB2,281.4 million); (ii) restricted bank deposits of approximately RMB1,048.2 million (31 December 2024: approximately RMB560.0 million); and (iii) structured deposits of approximately RMB1,052.1 million (31 December 2024: nil). The restricted bank deposits mainly represented judicially frozen funds, cash deposits in bank as performance security for property management services according to the requirements of the local government authorities, and the deposits made as performance security for business contracts of Manguo and Fujian Dongfei Environment Group Co., Ltd. (福建東飛環境集團有限公司) (“**Fujian Dongfei**”), the subsidiaries of the Group.

As at 31 December 2025, the net current assets of the Group were approximately RMB12,971.6 million (31 December 2024: approximately RMB13,896.0 million). The current ratio (current assets/current liabilities) of the Group was approximately 1.4 times (31 December 2024: 1.5 times).

Key Risk Factors and Uncertainties

The following content lists out the key risks and uncertainties confronted by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Industry Risk

The Group's businesses are affected by the overall economy, market conditions and the policies and regulations of the property management industry. When there are changes in economic conditions that lead to fluctuations in the consumption levels and purchasing power of businesses and individuals, these fluctuations may affect the Group's business operations and collection of payments for businesses. When there are significant changes in the PRC real estate market that exceed expectations, these changes may affect the growth of the Group's revenue-bearing GFA and related revenue growth. When the government adjusts policies and regulations for property management industry, these adjustments may have a significant impact on the business strategies of property enterprises (including the Group), service offerings and charging standards.

Business Risk

The Group's ability to maintain or improve the Group's current level of profitability depends on the Group's ability to control operating costs (particularly labour costs) and the Group's profit margins and results of operations may be materially and adversely affected by the increase in labour or other operating costs; the Group may not procure new property management services contracts as planned or at desirable pace or price; the Group may not be able to collect property management fees from customers and as a result, may incur impairment losses on receivables; termination or non-renewal of a significant number of the Group's property management services contracts could have a material adverse effect on the business, financial position and results of operations.

Management Discussion and Analysis

Foreign Exchange Risk

The Group's businesses were principally located in the PRC. Except for bank deposits and trade receivables, the Group was not subject to any other material risk directly relating to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, take prudent measures and develop hedging strategies as appropriate to reduce foreign exchange risks.

Employees and Remuneration Policies

As at 31 December 2025, the Group had 209,837 employees (31 December 2024: 214,346 employees). During the Year, the total staff costs were approximately RMB18,162.4 million.

The remuneration package of the employees includes salary, bonus and other cash subsidies. Employees are rewarded on a performance-related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry and prevailing market conditions, in accordance with the policy of the Group on compensation and welfare.

The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to other mandatory provident fund schemes on behalf of its employees.

Share Schemes

On 9 July 2024, the Shareholders of the Company approved and adopted a share option scheme (the "**2024 Share Option Scheme**"). On 22 July 2024, the Company made an offer to grant a total of 225,350,000 share options to 60 employee participants under the terms of the 2024 Share Option Scheme, with the exercise price of the share options being HKD5.01 per share.

To more effectively fulfill the purpose of the 2024 Share Option Scheme, the Shareholders of the Company have approved and adopted the amendments to (1) the rules of the 2024 Share Option Scheme and (2) the terms of the granted options on 28 January 2026. For further details, please refer to the Company's announcements dated 23 December 2025 and 28 January 2026 as well as the Company's circular dated 8 January 2026.

The Board shall have the power to manage the 2024 Share Option Scheme and its decisions, interpretations or rulings on all matters relating to the 2024 Share Option Scheme shall be final and binding on all parties. The Board shall also have the power to authorize any Director to exercise any or all of the powers to manage the 2024 Share Option Scheme through passing of resolutions, including but not limited to the selection of eligible participants and the grant of share options to grantees under the 2024 Share Option Scheme, subject to the terms and conditions stipulated in the 2024 Share Option Scheme.

As at the date of this report, pursuant to the share award scheme adopted on 18 November 2024 (the "**Share Award Scheme**"), in accordance with the rules of the Share Award Scheme and the terms of the trust deed, a designated subsidiary of the Company entrusted the trustee to purchase a total of 109,000,000 shares in the market through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect at a total consideration (including transaction costs) of approximately RMB556.5 million, and the number of the shares purchased has reached the upper limit of the scheme.

As of the date of this report, the Company is formulating the grant plan (including the list of eligible participants, amounts and conditions) and the vesting plan of the share awards, which are subject to final approval by the Board.

Employee Training and Development

The Group focuses on building a comprehensive cultivation system to conduct in-depth research into the key competencies required at each stage of employees' career development. By focusing on enhancing capabilities and professional development, the Group strengthened its backup talent pipeline, and meticulously crafted a multi-dimensional and multi-tier talent cultivation system to support employees in boosting their career competitiveness.

Management Discussion and Analysis

In order to enhance the ability of employees to cope with the current business changes, and to more efficiently support the business development, the Group has designed regular learning programmes such as “One Moment (一刻堂)” and “Regular Meeting Learning (例會學習)”, achieving vertical integration of operational capabilities. At the same time, based on its online learning platform “BIXUETANG College (碧學堂)”, the Group meets the daily learning needs of the employees of the Group by organizing themed learning months and introducing external courses. As at 31 December 2025, “BIXUETANG College” accumulatively launched 1,966 online courses and operated 14,035 learning programmes, with an average learning hours per employee of 80.09 hours.

In order to enhance the ability of core management cadres to solve future business challenges, the Group designed talent cultivation projects such as the “Rising Stars Programme (新銳計劃)”, “Cornerstone Programme (基石計劃)”, “Leading Excellence Programme (領卓計劃)”, “Leadership Programme (領軍計劃)” and “Defense Officer Program (碧防官計劃)” for key groups, and comprehensively enhanced the business and management capabilities of employees by constructing key position profiles and evaluation systems, identifying shortcomings in their abilities, and matching them with training and learning programmes.

Charge on Assets

As at 31 December 2025, several subsidiaries of the Group carried out borrowing and sale and leaseback financing loan business with banks and financial leasing companies to meet their respective daily operational needs. These were mainly secured by rights of collection of certain of their respective environmental business projects, certain equipment and land use rights.

To address exchange rate fluctuations and lock in earnings, as at 31 December 2025, an amount of approximately RMB1,888,087,000 (as at 31 December 2024: nil), which is included in time deposits, was pledged for forward exchange contracts. Subsequently in February 2026, the aforementioned forward exchange contracts matured, and the relevant time deposits were released.

Contingent Liabilities

Please refer to note 33 to the consolidated financial statements in this report for details of contingent liabilities as at 31 December 2025, which were contingent considerations arising from business combinations. Save as disclosed, the Group did not have any other contingent liabilities.

External Guarantee

As at 31 December 2025, save as disclosed in note 43 to the consolidated financial statements in this report, the Group did not have any other external guarantee.

Material Acquisitions, Disposals and Significant Investments

During the Year, the Group had no material acquisitions or disposals and no individually significant investments.

MAJOR EVENTS DURING THE YEAR

Intention to Conduct On-market Share Repurchase and/or Purchase

On 27 March 2025, the Board announced that the Company plans to use the Group’s existing available cash reserve of not less than RMB500 million to repurchase and/or purchase Shares in the open market within one year after 27 March 2025, depending on the market conditions and the actual needs of the Company at the relevant time. Please refer to the announcement of the Company dated 27 March 2025 for further details.

During the period from 28 March 2025 to 12 February 2026, the Company repurchased 87,996,000 shares of the Company in the open market at a total consideration (including transaction costs) of approximately RMB502.9 million, and the repurchased shares were cancelled on 19 March 2026.

Management Discussion and Analysis

Connected Transaction – Provision of Financial Assistance

Unless otherwise defined herein, the capitalized terms used in this section shall have the same meanings as those defined in the announcement of the Company dated 6 May 2025.

On 6 May 2025 (after trading hours), the Company (as the Lender) entered into the Loan Agreement with Concrete Win and Fortune Warrior (as the Borrowers), pursuant to which the Company agreed to provide revolving loan facilities in an aggregate principal amount of RMB1,000,000,000 (or HKD equivalent) to Concrete Win and Fortune Warrior.

On 8 May 2025, the Company (as the Chargee) further entered into the Deed of Share Charge with Concrete Win and Fortune Warrior (as the Chargors) in respect of the Secured Assets, including a total of 543,695,233 Shares of the Company beneficially held by Concrete Win and Fortune Warrior, to secure the repayment and settlement of the principal and interest of the loan under the Loan Agreement and the Secured Debts. As at the date of this report, registration of the relevant share charge has been fully completed, and the Company has granted the loan above to the Borrowers. Please refer to the announcement of the Company dated 6 May 2025 for further details.

Announcements made pursuant to Rules 13.51B(2) and 13.51(2) of the Listing Rules

During the Year, Ms. YANG Huiyan (“**Ms. YANG**”), the chairman and a non-executive Director of the Company, was involved in the following regulatory matters: (1) in May 2025, as CG Holdings and its subsidiary Country Garden Real Estate Group Co., Ltd. failed to timely disclose 2024 interim reports, each of the Shanghai Stock Exchange (the “**SSE**”) and the Shenzhen Stock Exchange (the “**SZSE**”) made the decision to publicly reprimand Ms. YANG and other named persons respectively, and recorded the decision in their integrity file database; (2) in November 2025, as Giant Leap Construction Technology Group Co., Ltd. (騰越建築科技集團有限公司) (“**Giant Leap Construction**”, a subsidiary of CG Holdings and an issuer of corporate bonds trading on the SSE) failed to timely disclose changes in corporate information, significant litigation and being listed as a dishonest party, the Guangdong Securities Regulatory Bureau of the China Securities Regulatory Commission took measures by issuing warning letter to Giant Leap Construction, as well as its then chairman Ms. YANG and other named persons who were responsible to ensure Giant Leap Construction’s compliance of its disclosure obligations.

As stated in the announcement of CG Holdings dated 21 May 2025 and 27 November 2025, respectively, the relevant non-compliance was caused by (1) CG Holdings and its subsidiaries and (2) Giant Leap Construction respectively due to objective reasons. Following inquiries with Ms. YANG and review of the relevant letters, the Board (except Ms. YANG) believes that there is no reason to doubt the integrity and ability of Ms. YANG, and that it is appropriate for her to continue serving as the chairman and a non-executive Director of the Company. Please refer to the announcements of the Company dated 23 May 2025 and 1 December 2025 for further details.

Amendments to the Terms of Reference of the Nomination Committee

The Stock Exchange reviews the corporate governance framework from time to time to ensure that it remains fit for purpose and maintains investors’ confidence in the market. The Stock Exchange published the consultation conclusions on its review of the Corporate Governance Code and relevant provisions of the Listing Rules in December 2024, with the relevant corporate governance enhancements taking effect from 1 July 2025.

In the above context, the Company amended the terms of reference of the Nomination Committee, stipulating that the Nomination Committee shall have at least one member of a different gender and the duties of the Nomination Committee shall include (i) assisting the Board in maintaining a Board skills matrix, (ii) assessing each director’s time commitment and contribution to the Board at least annually, as well as the director’s ability to discharge his or her responsibilities effectively, taking into account criteria including professional qualifications and work experience, existing directorships of issuers listed on the Main Board or GEM of the Stock Exchange and other significant external time commitments of such director and other factors or circumstances relevant to the director’s character, integrity, independence and experience, and disclosing its assessment pursuant to the Listing Rules (including disclosure in the Company’s corporate governance report as appropriate), and (iii) supporting the Company’s regular evaluation of the Board’s performance at least every two years etc. Please refer to the terms of reference of the Nomination Committee published by the Company on 30 June 2025 for further details.

Management Discussion and Analysis

Change of Chief Financial Officer

On 5 December 2025, the Board announced that Mr. HUANG Peng (“**Mr. HUANG**”) has resigned as the chief financial officer of the Company with effect from 5 December 2025 due to the need to devote more efforts and time to the management of the Group’s incubation businesses. Mr. HUANG will continue to serve as the executive president of the Company and will remain responsible for the daily management of the incubation businesses segment, including new businesses such as environmental business, commercial operational services, the “Three Supplies and Property Management” business, real estate agency services, and asset management, as well as the development of other innovative businesses.

The Board further announced that Ms. TIAN Tian has been appointed as the chief financial officer of the Company with overall responsibility for the Company’s financial management and works related to the capital market with effect from 5 December 2025. Please refer to the announcement of the Company dated 5 December 2025 for further details.

Amendments to the Rules of the 2024 Share Option Scheme and the Terms of the Granted Options

On 9 July 2024, the Shareholders approved and adopted a share option scheme (the “**2024 Share Option Scheme**”). To more effectively fulfill the purpose of the 2024 Share Option Scheme, the Board has resolved on 23 December 2025 to propose amendments to (1) the rules of the 2024 Share Option Scheme, and (2) the terms of the granted options. Subsequently, these amendments were approved by the Shareholders at the extraordinary general meeting of the Company held on 28 January 2026. For further details, please refer to the Company’s announcements dated 23 December 2025 and 28 January 2026 as well as the Company’s circular dated 8 January 2026.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Announcement made pursuant to Rules 13.51B(2) and 13.51(2) of the Listing Rules

In respect of the announcement dated 10 February 2026 of CG Holdings in relation to the matter that CG Holdings, the executive director and chairman of CG Holdings, i.e. Ms. YANG, and other named persons recently received the “Decision on Disciplinary Action” (the “**Decision on Disciplinary Action**”) issued by the SSE, due to the failure of CG Holdings to timely disclose certain overdue debts of CG Holdings in accordance with the relevant bond listing rules of the SSE, the SSE made the decision to impose self-regulatory measures on CG Holdings, Ms. YANG and other named persons (collectively “**Such Persons**”) respectively, and issued a circulated criticism to CG Holdings and Such Persons and recorded it in the integrity file database.

The Board has made enquiries with Ms. YANG in relation to the above matter and reviewed the Decision on Disciplinary Action. As stated in the announcement dated 10 February 2026 of CG Holdings, considering that the relevant non-compliance was caused by the failure of CG Holdings to disclose overdue debts in a timely manner due to objective factors and not due to the failure of the relevant individuals to discharge their duties, the Board (except Ms. YANG) believes that there is no reason to doubt the integrity and ability of Ms. YANG and that it is appropriate for her to continue serving as the chairman and a non-executive director of the Company. Please refer to the announcement of the Company dated 11 February 2026 for further details.

Save for the aforementioned, there was no significant event affecting the Group occurred after 31 December 2025 and up to the date of this report.



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Ms. Yang Huiyan (楊惠妍), aged 44, was appointed as a non-executive Director and the chairman of the Board on 9 March 2018 and is responsible for the formulation and provision of guidance and development strategies for the overall development of the Group. Ms. Yang is also the chairman of the nomination committee, a member of the remuneration committee and the environmental, social and governance committee of the Company, as well as a director of certain members of the Group. Ms. Yang is a controlling shareholder of the Company.

Ms. Yang joined CGH in March 2005 as a general manager of the procurement department, where she was responsible for overall procurement decision making until November 2006. Ms. Yang was appointed as an executive director of CGH in December 2006, a vice chairman of CGH in March 2012 and was re-designated from a vice chairman of CGH to a co-chairman of CGH in December 2018 and succeeded the chairman of CGH from a co-chairman of CGH in March 2023.

Ms. Yang is also the chairman of the nomination committee, the corporate governance committee, the environmental, social and governance committee and the executive committee as well as a member of the remuneration committee and the finance committee of CGH and a director of various subsidiaries of the CGH Group. As at 31 December 2025, Ms. Yang owned a total of 101.68% interest in CGH, of which 46.47% was voting interest.

Ms. Yang graduated from Ohio State University in the United States in March 2005, where she obtained a bachelor degree in business administration and she also obtained an EMBA degree from Tsinghua University in 2019. Ms. Yang was awarded “China Charity Award Special Contribution Award” in 2008, “China Poverty Alleviation Award Contribution Award” in 2019 and “The 11th China Charity Award Individual Donor Award” in 2021. In addition, for details regarding the information that Ms. Yang is required to disclose under Rules 13.51B(2) and 13.51(2)(n) of the Listing Rules as of the date of this report, please refer to the Company’s announcements dated 11 February 2026, 1 December 2025 and 23 May 2025.

Mr. Xu Binhuai (徐彬淮), aged 47, was appointed as an executive Director, the president, the authorised representative, the chairman of the environmental, social and governance committee and the agent for the service of process in Hong Kong on 10 October 2023. He was later appointed as the chairman of the debt recovery committee on 22 August 2024. Mr. Xu is primarily responsible for the overall strategic decision-making, business planning and major operational decision-making of the Group. Mr. Xu has also been directors and managers of certain members of the Group.

Mr. Xu was appointed as the vice president and the chief strategy officer of the Company successively from October 2016 to October 2023 and was primarily responsible for business innovation strategic planning, operation management, digital management, intelligent manufacturing and community life service business operation.

Prior to joining the Group, Mr. Xu served in various positions in marketing at DHL-SINOTRANS International Air Courier Ltd.* (中外運-敦豪國際航空快件有限公司), including as manager of sales performance team and regional sales and marketing planning manager, where he was mainly responsible for sales planning and performance management from November 2004 to February 2010. He served as the head of marketing department of North Asia region at American President Lines (China) Co., Ltd. (美國總統輪船(中國)有限公司), a logistics company, where he was mainly responsible for marketing and sales management in North Asia region from March 2010 to October 2012. He served as a senior project manager at Roland Berger Strategy Consultants (Shanghai) Company Limited* (羅蘭貝格企業管理(上海)有限公司), where he was in charge of business consulting services to transportation, logistics, tourism, public service sectors and other sectors from November 2012 to February 2016. Mr. Xu joined CGH as the deputy general manager of the corporate strategy office in March 2016 and was mainly responsible for strategic planning of new business lines until September 2016.

Mr. Xu graduated from Fudan University in July 2002, where he obtained a bachelor’s degree in macromolecular material and engineering. He graduated from the University of Hong Kong in November 2016, where he obtained a master’s degree in business administration.

Biographical Details of Directors and Senior Management

Mr. Xiao Hua (肖華), aged 48, was appointed as an executive Director on 9 March 2018. He has been the vice president of CG Life Services since February 2013 and was appointed as a member of the senior management of the Company on 3 April 2024. Mr. Xiao is primarily responsible for the overall management of Guangzhou Tianli Property Service Co., Ltd.* (廣州天力物業發展有限公司), the main domestic entity of Wealth Best Global Limited, and its subsidiaries since January 2022. Mr. Xiao is also a member of the environmental, social and governance committee and the debt recovery committee of the Company, as well as a director of certain members of the Group.

From April 2002 to April 2009, Mr. Xiao worked at the Group as an assistant manager, a deputy manager and a manager at Chencun branch office in Guangdong, where he was mainly responsible for the security management and providing assistance to day-to-day operation of the branch office, and a deputy manager, a manager and a senior manager at Huabi branch office in Guangdong, where he was mainly responsible for the day-to-day operation and management of the branch office. From April 2009 to December 2009, Mr. Xiao was promoted to regional director at Changsha branch office and in January 2010, he was transferred to regional director of Zengcheng branch office, where he was primarily responsible for the overall operation, management and brand development of property management services until February 2013. From February 2013 to December 2018, Mr. Xiao served as vice president of CG Life Services, mainly responsible for the overall management of value-added services to non-property owners. Since January 2019, Mr. Xiao has started to serve as a director of Baoshihua Home Investment Management Company Limited* (寶石花家園投資管理有限公司) (“Baoshihua”) and its subsidiaries while serving as the vice president of CG Life Services, participating in the overall management of Baoshihua.

Mr. Mei Wenjue (梅文珏), aged 56, was appointed as an independent non-executive Director on 25 May 2018 and is responsible for providing independent advice to the Board. Mr. Mei is also a member of the audit committee and the remuneration committee of the Company.

From 1994 to September 2008, Mr. Mei worked at China Southern Airlines Company Limited (中國南方航空股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600029) and the Main Board of the Stock Exchange (stock code: 1055). From September 2008 to October 2014, he served as the chief representative at the Shenzhen Office of China Europe International Business School (中歐國際工商學院). Mr. Mei served as an independent non-executive director of the board at Miko International Holdings Limited (米格國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1247) from December 2013 to March 2016 and an independent non-executive director of the board at CGH from May 2013 to March 2018. From November 2014 to December 2020, Mr. Mei also served as the general manager at Guangzhou Ruizhi Car Rental Company Limited* (廣州瑞致租車有限公司) (a company primarily engaged in car rental business). Mr. Mei is currently the director of Guangzhou Ruizhi Car Rental Company Limited* (廣州瑞致租車有限公司), where he directs the company’s strategy planning and oversees the overall operations.

Mr. Mei graduated from Sun Yat-Sen University (中山大學) in the PRC, where he obtained a bachelor’s degree of English language and literature in June 1994 and a master’s degree of administrative management in June 2001. He also received a master’s degree in business administration from the School of Management of Cranfield University in the United Kingdom in June 2006.

Mr. Rui Meng (芮萌), aged 58, was appointed as an independent non-executive Director on 25 May 2018 and is responsible for providing independent advice to the Board. Mr. Rui is also the chairman of the audit committee as well as a member of the nomination committee and the debt recovery committee of the Company.

Mr. Rui has been a professor of Finance and Accounting at China Europe International Business School (中歐國際工商學院) since January 2012, and has held the title of Parkland Chair in Finance at China Europe International Business School since October 2015.

Mr. Rui has been professionally qualified as a Certified Financial Analyst by the Association for Investment Management and Research since September 2000 and a Financial Risk Manager (FRM) by the Global Association of Risk Professionals (GARP) since April 2010.

Biographical Details of Directors and Senior Management

Mr. Rui was an independent director of the board at Shang Gong Group Co., Ltd.* (上工申貝(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600843) from April 2017 to June 2023 and an independent director of the board at Shanghai Hydee Software Corp., Ltd. (上海海典軟件股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 831317) from June 2020 to June 2023.

From June 2021 to August 2021, Mr. Rui was also an independent non-executive director of Sichuan Justbon Life Services Group Co., Ltd.* (四川嘉寶生活服務集團股份有限公司) (formerly known as Sichuan Languang Justbon Services Group Co., Ltd.* (四川藍光嘉寶服務集團股份有限公司) (“**Justbon Services**”), a company whose shares were listed on the Main Board of the Stock Exchange (stock code: 2606) and were withdrawn from listing in August 2021. From May 2019 to June 2025, Mr. Rui was also an independent non-executive director of Landsea Green Management Limited (朗詩綠色管理有限公司) (formerly known as Landsea Green Properties Co., Ltd. (朗詩綠色地產有限公司)), a company listed on the Main Board of the Stock Exchange (stock code: 106). From February 2023 to December 2025, Mr. Rui was also an independent director of Bright Scholar Education Holdings Limited (博實樂教育控股有限公司), a company whose shares were listed on the New York Stock Exchange (stock code: BEDU) and were withdrawn from listing in December 2025.

He currently serves as an independent non-executive director of the board at China Education Group Holdings Limited (中國教育集團控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 0839), an independent non-executive director of the board at Dexin Services Group Limited (德信服務集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2215), an independent director of Jiayin Group Inc., a company listed on the Nasdaq Stock Exchange (stock code: JFIN) and an independent director of Dongguan Tarry Electronics Co., Ltd. (東莞市達瑞電子股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300976)).

Mr. Rui graduated from University of International Relations (國際關係學院) in the PRC in July 1990, where he obtained a bachelor's degree in international economics. He also received a master's degree of science in economics from Oklahoma State University in the United States as well as a master's degree in business administration and a doctor of philosophy degree in business administration from the University of Houston in the United States in May 1993, December 1996 and August 1997, respectively.

Mr. Chen Weiru (陳威如), aged 55, was appointed as an independent non-executive Director on 25 May 2018 and is responsible for providing independent advice to the Board. Mr. Chen is also the chairman of the remuneration committee and, a member of the audit committee, the nomination committee and the environmental, social and governance committee of the Company.

Mr. Chen served as an associate professor of strategy at China Europe International Business School (中歐國際工商學院) since August 2020. He was an independent director of TAL Education Group (好未來教育集團), a company listed on the New York Stock Exchange (stock code: TAL) from April 2016 to April 2025, an independent director of WPG Holdings Limited (大聯大控股股份有限公司, formerly known as 大聯大投資控股股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 3702) from June 2020 to May 2023, an independent director of the board at Dian Diagnostics Group Co., Ltd. (迪安診斷技術集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300244) from July 2017 to November 2023 and an independent non-executive director of Vision Deal HK Acquisition Corp., a special purpose acquisition company listed on the Main Board of the Stock Exchange (stock code: 7827) from February 2022 to June 2025, which was withdrawn from listing in June 2025.

Mr. Chen currently serves as an independent director of the board at Oppl Lighting Co., Ltd. (歐普照明股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603515), an independent director of the board at Jack Technology Co., Ltd. (傑克科技股份有限公司), formerly known as Jack Sewing Machine Co., Ltd. (傑克縫紉機股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603337), an independent non-executive director of the board at Sinopharm Group Co. Ltd. (國藥控股股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the Stock Exchange (stock code: 01099) and an independent director of Universal Vision Biotechnology Co., Ltd., a company listed on the Taipei Exchange (stock code: 3218).

Biographical Details of Directors and Senior Management

Mr. Chen graduated from National Taiwan University (國立台灣大學) in Taiwan in June 1993, where he obtained a bachelor's degree in business administration. In January 1996, he graduated from Tamkang University (淡江大學) in Taiwan, where he obtained a master's degree in business administration. He received a doctor of philosophy degree in strategic management from Purdue University in the United States in December 2003.

Mr. Zhao Jun (趙軍), aged 63, was appointed as an independent non-executive Director on 3 April 2024 and is responsible for providing independent advice to the Board. Mr. Zhao is also a member of the audit committee, the nomination committee and the environmental, social and governance committee of the Company.

Mr. Zhao has been the executive director and the manager of China Fellow Partners Limited (北京復樸道和投資管理有限公司) since 2015. He previously worked for Chinavest Services Limited (中國創業投資服務有限公司) and DT Capital Management Company Limited (德同資本管理有限公司). From January 2015 to August 2021, Mr. Zhao served as an independent non-executive director of China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3968) and the Shanghai Stock Exchange (stock code: 600036). From April 2017 to December 2025, Mr. Zhao was an independent director of Bright Scholar Education Holdings Limited (博實樂教育控股有限公司), a company whose shares were listed on the New York Stock Exchange (stock code: BEDU) and were withdrawn from listing in December 2025. From April 2021 to December 2025, Mr. Zhao was an independent director of Gansu Jingang Solar Co. Ltd. (甘肅金剛光伏股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300093).

Mr. Zhao graduated with a bachelor's degree in engineering in marine engineering specialty from Harbin Engineering University (formerly known as Harbin Shipbuilding Engineering Institute) of the PRC in July 1983. He also received a master's degree in engineering from Shanghai Jiao Tong University of the PRC in May 1986, a doctor of philosophy degree in civil engineering from the University of Houston in the United States in June 1993 and a master's degree in business administration from Yale School of Management in the United States in May 2000.

SENIOR MANAGEMENT

Mr. Huang Peng (黃鵬), aged 42, was appointed as the executive president of the Company on 10 October 2023. He has been the chief financial officer from September 2016 to December 2025 and a joint company secretary of the Company from March 2018 to 3 April 2024. He is responsible for the daily management of the incubation businesses segment of the Group, including new businesses such as environmental business, commercial operational services, the "Three Supplies and Property Management" business, real estate agency services, and asset management, as well as the development of other innovative businesses at present. Mr. Huang also serves as directors and supervisors of certain members of the Group.

Prior to joining the Group, from April 2006 to September 2009, Mr. Huang served as listing office manager and manager of securities department in Vtron Group Co., Ltd.* (威創集團股份有限公司) (formerly known as Guangdong Vtron Video Technologies Company Limited* (廣東威創視訊科技股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 002308), which was withdrawn from listing in September 2024, where he was responsible for investor relations and investment management. From October 2009 to December 2015, he served in various positions including as the head of finance, secretary of the board and deputy general manager in Pony Test Group Company Limited* (譜尼測試集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300887), where he was responsible for financial management and board secretarial matters. Mr. Huang served as an independent director of the board at Beijing Arrays Medical Imaging Corporation* (北京銳視康科技發展有限公司), a company engaged in production and sales of medical imaging equipment, from December 2015 to December 2016. From May 2024 to March 2025, Mr. Huang served as a non-executive director of Hopefluent, a company listed on the Main Board of the Stock Exchange (stock code: 733).

Biographical Details of Directors and Senior Management

Mr. Huang graduated from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2005, where he obtained a bachelor's degree in transportation. He graduated from Guanghua School of Management of Peking University (北京大學光華管理學院) in the PRC with a master's degree in business administration in July 2012. He took the course for Executive Master of Business Administration (EMBA) at Cheung Kong Graduate School of Business in the PRC. He became a PRC Certified Public Accountant (中國註冊會計師) certified by the Certified Public Accountant Examination Committee of the Ministry of Finance (財政部註冊會計師考試委員會) in December 2014.

Ms. Tian Tian (田田), aged 43, was appointed as the chief financial officer and a senior management member of the Company on 5 December 2025, with overall responsibility for the Company's financial management and works related to the capital market.

Ms. Tian is a PRC Certified Public Accountant (CPA) and a member of the Association of Chartered Certified Accountants (ACCA), with extensive experience in financial management and capital operations. She served as the chief financial officer of a new energy logistics company from May 2022 to June 2025; a vice president of finance of Waterdrop Inc. (a company listed on the New York Stock Exchange (stock code: WDH)) from October 2020 to February 2022; an executive director of Zebra Global Capital from July 2016 to September 2020; the financial controller of Qunar.com (a company listed on the Nasdaq Stock Market (stock code: QUNR), which was delisted in March 2017) from March 2015 to July 2016; and a senior financial manager of VNET Group, Inc. (a company listed on the Nasdaq Stock Market (stock code: VNET)) from October 2011 to March 2015. Ms. Tian served as an auditor of KPMG Huazhen LLP and was subsequently promoted to a senior auditor from August 2006 to July 2010, where she started her professional career.

Ms. Tian obtained a bachelor of engineering degree in Electrical Engineering and Automation from Tsinghua University in July 2004, and also obtained a master of management degree in Management Science and Engineering from Tsinghua University in July 2006.

Mr. Guo Zhanjun (郭戰軍), aged 46, served as an executive Director of the Company from 9 March 2018 to 3 April 2024. He has also been the vice president of CG Life Services since he joined the Group in July 2017 and was appointed as the senior manager of the Company on 3 April 2024. From July 2017 to March 2026, Mr. Guo served as the general manager of the Group's Human Resources Management Center, responsible for the overall management of the Group's human resources; from August 2023 to the present, Mr. Guo has served as the Company's Chief Marketing Officer, responsible for the overall marketing management of the Group. Meanwhile Mr. Guo is also a director of certain members of the Group.

Prior to joining the Group, from July 2002 to September 2010, Mr. Guo held various positions including human resources supervisor at Zhengzhou Yutong Bus Company Limited* (鄭州宇通客車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600066), manager, senior manager and head of the human resources department at GD Midea Air-Conditioning Equipment Co., Ltd* (廣東美的製冷設備有限公司) and human resources director at AUX Group Co., Ltd.* (奧克斯集團有限公司), a company mainly engaged in the manufacturing and sales of electrical equipment and home appliances. From August 2011 to March 2013, Mr. Guo was the head of the human resources department in the concrete business unit of Zoomlion Heavy Industry Science and Technology Co., Ltd. (中聯重科股份有限公司) (formerly known as Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd. (長沙中聯重工科技發展股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 000157) and the Main Board of the Stock Exchange (stock code: 1157).

Mr. Guo joined the CGH Group as a deputy general manager of the training and development department in July 2013 and was promoted to human resources director of Jiangzhong region in April 2014 and general manager of the recruiting department in January 2016, where he was mainly responsible for human resources planning and management. From June 2016 to February 2017, he left the CGH Group and joined the Beijing branch office of Thaihot Group Co., Ltd.* (泰禾集團股份有限公司北京分公司), a company listed on the Shenzhen Stock Exchange (stock code: 000732), which withdrawn from listing in August 2023, as a deputy general manager of the human resources department and human resources director of the Beijing region. Mr. Guo returned to the CGH Group as the assistant general manager of the human resources management centre in February 2017 and was responsible for human resources planning and management until June 2017.

Biographical Details of Directors and Senior Management

Mr. Guo graduated from Renmin University of China (中國人民大學) in July 2002, where he obtained a bachelor's degree in environmental economic and resource management. He obtained a Doctor of Business Administration (DBA) from Belhaven University, USA in May 2025.

Mr. Chen Fenghua (陳風華), aged 46, was appointed as senior manager of the Company on 3 April 2024. He is the vice president and director of CG Life Services, a subsidiary of the Company, and the chairman, executive director and president of Justbon Services, a subsidiary of the Company, and is primarily responsible for the overall management of Justbon Services. Mr. Chen also serves as a director of various subsidiaries of the Group.

Mr. Chen has accumulated approximately 23 years of work experience in the property management industry. He joined CG Life Services in July 2003 and has been engaged in various types of property management projects and served as the person in charge of multiple projects and regions of CG Life Services. Mr. Chen was promoted to the position of vice president of CG Life Services in September 2018, and was responsible for the overall management of the quality of the Group's property management services from September 2018 to June 2021. Mr. Chen has been responsible for the overall management of Justbon Services since June 2021. Mr. Chen has served as a member of the Standardization Working Committee of the Guangdong Property Management Industry Institute* (廣東省物業管理行業協會標準化工作委員會) since April 2019, a member of the Standardization Working Committee of the China Property Management Institute* (中國物業管理協會標準化工作委員會) since July 2019, a deputy director of the Social Life (Residential) Property Intelligent Service Professional Committee of the Guangdong Property Management Association* (廣東省物業管理行業協會社會生活(住宅)物業智慧服務專業委員會) since December 2020. He has been a member of the property management expert think tank of South China University of Technology since June 2021, a vice president of the Sichuan Real Estate Industry Association* (四川省房地產業協會) since August 2021, a vice chairman of the Property Management Committee of the Sichuan Real Estate Association* (四川省房地產業協會物業管理專委會) since June 2022, and a member of the Highquality Development Advisory Committee of Sichuan Real Estate Industry* (四川省房地產業高品質發展諮詢委員會) since August 2023.

Mr. Chen obtained a junior college diploma in property management from the Open University of China in July 2017.

Mr. Zhu Xinxing (朱新星), aged 43, was appointed as senior manager of the Company on 3 April 2024 and is the vice president and director of CG Life Services, a subsidiary of the Company. Mr. Zhu is primarily responsible for the overall management of Link Joy Holdings Group Co., Limited ("**Link Joy Holdings**"), a subsidiary of the Company. He also serves as a director and/or president of a subsidiary of Link Joy Holdings and certain subsidiaries of the Company.

Mr. Zhu has accumulated approximately 23 years of work experience in the property management industry. He joined CG Life Services in June 2002, and has been engaged in various types of property management projects and served as the person in charge of multiple projects and regions of CG Life Services. He was responsible for the overall management of Hainan regional business of CG Life Services from June 2017 to February 2022, the overall management of Guizhou regional business of CG Life Services from May 2020 to September 2021, and the overall management of Hunan regional business of CG Life Services from October 2018 to March 2024. Mr. Zhu was promoted to the position of vice president of CG Life Services in July 2020, and has been responsible for the overall management of Link Joy Holdings since October 2021.

Mr. Zhu graduated from Tangshan College of Science and Technology* (唐山科技專修學院) and obtained a bachelor's degree in economic management.



Biographical Details of Directors and Senior Management

JOINT COMPANY SECRETARIES

Mr. Leung Chong Shun (梁創順), aged 60, was appointed as a joint company secretary on 9 March 2018. He has been a partner of Woo Kwan Lee & Lo (胡關李羅律師行), a law firm based in Hong Kong, since 1997.

Mr. Leung is currently the company secretary of four other companies listed on the Main Board of the Hong Kong Stock Exchange, namely China Merchants China Direct Investments Limited (招商局中國基金有限公司) (stock code: 0133), China Merchants Port Holdings Company Limited (招商局港口控股有限公司) (stock code: 0144), Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司) (stock code: 2238) and CGH (stock code: 2007).

Mr. Leung graduated from the University of Hong Kong, where he obtained a bachelor's degree in laws in November 1988 and obtained the Postgraduate Certificate in laws in September 1989. He became a qualified solicitor in Hong Kong in October 1991 and in England and Wales in November 1994, respectively. Mr. Leung has been further qualified as a Greater Bay Area Lawyer in 2023.

Mr. Chen Dilin (陳迪霖), aged 40, was appointed as a joint company secretary on 3 April 2024. He joined the Group in March 2024 and serves as the vice president of CG Life Services, a subsidiary of the Company.

Mr. Chen conducted audit and financial due diligence when working at PricewaterhouseCoopers, and has over four and a half years of experiences in mergers and acquisitions, listing advisory and private equity investment in certain renowned financial institutions thereafter. Afterwards, he also gained over eight years of work experiences in capital operations, corporate governance, and new business development in a company listed on the Stock Exchange.

Mr. Chen graduated from the University of International Business and Economics of the PRC in July 2008, where he obtained a bachelor's degree in management. He became an affiliate member of the Association of Chartered Certified Accountants of the United Kingdom in June 2008. Mr. Chen has also obtained the Chinese Legal Professional Qualification in the PRC in June 2023.

* For identification purpose only



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE CODE

The Group deeply understands the important role that its Board plays in providing effective leadership and guidance for the businesses of the Group and ensuring the transparency and accountability of the operation of the Group, and knows very well that sound corporate governance will lead the Group towards success and help add value to the Shareholders. Therefore, the Board consistently strives to maintain a high level of business ethics, a healthy corporate culture and sound corporate governance by formulating and implementing corporate governance policies and practices that are in line with the behavior and growth of the businesses of the Group.

During the Year, the Company has adopted and complied with all applicable code provisions set out in the Corporate Governance Code (“**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Having made specific enquiries, all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Year. No incident of non-compliance was found by the Company during the Year. Relevant employees who may be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

BOARD OF DIRECTORS

Roles and Functions of the Board and Management

The Board supervises the business, strategic decisions, and performance of the Group and should make decisions objectively in the best interest of the Company.

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

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

Board Composition

As at 31 December 2025, the Board comprised seven Directors, including two executive Directors (namely Mr. Xu Binhuai (President) and Mr. Xiao Hua), one non-executive Director (namely Ms. Yang Huiyan (Chairman)) and four independent non-executive Directors (namely Mr. Mei Wenjue, Mr. Rui Meng, Mr. Chen Weiru and Mr. Zhao Jun).



During the Year, the Board comprised the following Directors:

<i>Executive Directors:</i>	Mr. Xu Binhuai (<i>President</i>) Mr. Xiao Hua
<i>Non-executive Director:</i>	Ms. Yang Huiyan (<i>Chairman</i>)
<i>Independent Non-executive Directors:</i>	Mr. Mei Wenjue Mr. Rui Meng Mr. Chen Weiru Mr. Zhao Jun

The detailed biographies of the current Directors are set out in the section headed **“Biographical Details of Directors and Senior Management”** of this annual report.

There was no relationship among the other members of the Board (including that between the chairman and the president), including financial, business, family or other material/relevant relationship.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Year, the Board has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules in having three independent non-executive Directors (representing one-third of the number of members of the Board). The independent non-executive Directors, all of whom are independent of the management of the Group’s businesses, are highly experienced professionals with substantial experience in areas such as legal, accounting or financial management.

The Company has received annual written confirmation of his independence to the Group from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the independent non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and are independent persons according to the same, and that they complied with the requirement for independence under Rule 3.13 of the Listing Rules.

In addition to the regular Board meetings, the chairman had meetings with the independent non-executive Directors without the presence of other Directors during the Year.

The Board has adopted effective mechanisms to ensure independent views and input are available to the Board. Subject to approval of the chairman of the Board, Directors may seek, at the Company’s expense, independent legal, financial or other professional advice from advisors independent to those advising the Company as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively. The Board will review the implementation and effectiveness of such mechanism on an annual basis.

The Board considers that the above mechanisms are effective in ensuring that independent views and input are provided to the Board.



Corporate Governance Report

DIRECTORS' REMUNERATION POLICY

According to the Remuneration Policy for Directors and Senior Management currently adopted by the Board, the remuneration packages of the Directors and senior management shall be recommended by the Remuneration Committee to the Board with reference to the remuneration packages of comparable positions in similar companies, business requirements, individual experience, the Directors' performance and duties, etc., and shall be determined by the Board after review and adjusted on a regular basis. The policy specifies the procedures for its formulation and review, the principle of determining the remuneration packages of the Directors, senior management and other employees, and the review of the policy and its disclosure. The policy, which is available for inspection on the Company's website (www.bgyfw.com), also reflects the latest requirements of the Listing Rules.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

Directors' training is an ongoing process. All Directors are encouraged to attend seminars and courses on relevant topics, which may count towards continuous professional development training.

Pursuant to the former code provision C.1.4 of the Corporate Governance Code, Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. According to the records maintained by the Company, during the Year, all the current Directors, being Ms. Yang Huiyan, Mr. Xu Binhuai, Mr. Xiao Hua, Mr. Mei Wenjue, Mr. Rui Meng, Mr. Chen Weiru and Mr. Zhao Jun, had participated in appropriate continuous professional development activities by attending training sessions, reading articles, newspapers, journals and/or updates relevant to the Company's business or to the Directors' duties and responsibilities and complied with the requirements of the former code provision C.1.4 of the Corporate Governance Code.

A summary of their training records is as follows:

Directors	Type of Continuing Professional Development ^(Note 1)	Content of Continuing Professional Development ^(Note 2)
Executive Directors:		
Mr. Xu Binhuai (<i>President</i>)	1, 2	A, B
Mr. Xiao Hua	1, 2	A, B
Non-executive Director:		
Ms. Yang Huiyan (<i>Chairman</i>)	1, 2	A, B
Independent Non-executive Directors:		
Mr. Mei Wenjue	1, 2	A, B
Mr. Rui Meng	1, 2	A, B
Mr. Chen Weiru	1, 2	A, B
Mr. Zhao Jun	1, 2	A, B

Note 1:

- 1 Attending internal seminars/training sessions, lectures, symposiums or forums
- 2 Reading newspapers, journals and updates

Note 2:

- A. Businesses relating to the Company
- B. Laws, rules and regulations, accounting standards

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Under the requirements of code provision B.2.2 of the Corporate Governance Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Each of the Directors is engaged on a service agreement (for executive Directors and non-executive Directors) or an appointment letter (for independent non-executive Directors) with the Company for a term of three years. All of them are subject to retirement and re-election in accordance with the articles of association of the Company (the “**Articles of Association**”).

According to the Articles of Association, (i) any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his/her appointment and be subject to re-election at such meeting; (ii) any Director appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election; and (iii) at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at an annual general meeting at least once every three years. As such, no Directors have a term of appointment longer than three years.

BOARD MEETINGS

The Board holds at least four meetings a year at approximately quarterly intervals. Additional meetings would be arranged if and when required. The date of each Board meeting is decided in advance to enable the Directors to attend the meeting in person. For those Directors who are not able to attend these meetings in person, participation by telephone conference is available.

The Board meets regularly to discuss and determine the Group’s strategies, set directions, and monitor the performance of the Group. Notice of not less than 14 days is given to all Directors before convening regular meetings. Each Director can access the advice and services of the company secretary(ies) of the Company (the “**Company Secretary(ies)**”) and is invited to include any matters for discussion in the agenda of the regular meetings. Agendas and materials for discussion in the meetings are circulated to all Directors at least three days prior to the respective date of the meetings.

A substantial Shareholder or a Director, who has declared to have a conflict of interest in the proposed transactions or matters to be discussed, shall not be counted in the quorum of the meeting and shall abstain from voting on the relevant resolution, and the matter will be dealt with by a physical Board meeting rather than a written resolution.

The Company Secretary prepares detailed minutes of each meeting. After the meeting, draft and final versions of the minutes would be sent to all the Directors for comments and records as soon as practicable. Minutes of Board meetings and Board committees’ meetings are kept by the Listing Company Secretariat of the Company and are open for inspection by any Director after due notice is issued by him/her.

During the Year, the Directors have made active contribution to the affairs of the Group and thirteen Board meetings were held to consider, among other things, various transactions contemplated by the Group and review and approve the interim results and annual results of the Group.

Pursuant to Article 100(1) of the Articles of Association, a Director shall not be entitled to vote nor be counted in the quorum on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested.



Corporate Governance Report

ATTENDANCE RECORDS OF THE DIRECTORS

The attendance records of the Directors at the Board meetings, the Board committees' meetings and the general meetings held during the Year are set out below:

Directors	Attended/Eligible to attend during the year ended 31 December 2025						
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Debt Recovery Committee Meeting	Environmental, Social and Governance Committee Meeting	General Meeting
Executive Directors:							
Mr. Xu Binhuai (<i>President</i>)	13/13	Not applicable	Not applicable	Not applicable	1/1	1/1	1/1
Mr. Xiao Hua	13/13	Not applicable	Not applicable	Not applicable	1/1	1/1	1/1
Non-executive Director:							
Ms. Yang Huiyan (<i>Chairman</i>)	13/13	Not applicable	3/3	1/1	Not applicable	1/1	1/1
Independent Non-executive Directors:							
Mr. Mei Wenjue	13/13	3/3	3/3	Not applicable	Not applicable	Not applicable	1/1
Mr. Rui Meng	13/13	3/3	Not applicable	1/1	1/1	Not applicable	1/1
Mr. Chen Weiru	13/13	3/3	3/3	1/1	Not applicable	1/1	1/1
Mr. Zhao Jun	13/13	3/3	Not applicable	1/1	Not applicable	1/1	1/1

CHAIRMAN AND PRESIDENT

Ms. Yang Huiyan is the chairman and Mr. Xu Binhuai is the president of the Company. The roles of the chairman and the president are segregated. Ms. Yang and Mr. Xu are not connected in any respect. The chairman provides leadership for the Board and ensures that there is clear division of responsibilities at the Board level. The president is responsible for overseeing the day-to-day management of the Company, supervising the businesses of the Group and ensuring that Board committees work smoothly and effectively.

BOARD COMMITTEES

As a part of good corporate governance, the Board has set up a remuneration committee (the “**Remuneration Committee**”), an audit committee (the “**Audit Committee**”), a nomination Committee (the “**Nomination Committee**”), an environmental, social and governance committee (the “**Environmental, Social and Governance Committee**”) and a Debt Recovery Committee (the “**Debt Recovery Committee**”) for overseeing particular aspects of the Company's affairs. Each committee has its own specific delegated authorities and operates within defined written terms of reference, which are posted on the websites of the Stock Exchange (www.hkexnews.hk) and/or the Company (www.bgyfw.com). All the Board committees should report to the Board on their decisions or recommendations made.

Audit Committee

The Audit Committee currently comprises all four independent non-executive Directors, namely Mr. Rui Meng, who acts as the chairman, Mr. Mei Wenjue, Mr. Chen Weiru and Mr. Zhao Jun.

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

During the Year, the Audit Committee has reviewed the 2024 audit planning memorandums, the annual results and annual report for the year ended 31 December 2024, the interim results and interim report for the period ended 30 June 2025, the financial reporting and compliance procedures, connected transactions, report on entrusted financial management status, internal control report, and the remuneration of external auditor and other matters.

The Company's annual results announcement and annual report for the Year have been reviewed by the Audit Committee.

During the Year, the Audit Committee held three meetings and duly discharged the above duties. The attendance record of each member of the Audit Committee at the meetings is listed under the section headed "**Attendance Records of the Directors**" above on a named basis.

Remuneration Committee

The Remuneration Committee currently comprises Mr. Chen Weiru, an independent non-executive Director who acts as the chairman, and two other members, namely Mr. Mei Wenjue, an independent non-executive Director, and Ms. Yang Huiyan, a non-executive Director.

The responsibilities and authorities of the Remuneration Committee are clearly defined in its terms of reference, the principal duties of which include, inter alia, (i) making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iii) making recommendations to the Board on the remuneration packages of individual Directors and senior management.

The Board together with the Remuneration Committee monitor the performance of the executive Directors and the senior management. Such division of responsibilities ensures a balance of power. The Remuneration Committee shall meet at any time when necessary. Terms of reference of the Remuneration Committee are currently available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bgyfw.com).



Corporate Governance Report

During the Year, the Remuneration Committee held three meetings. In particular, the Remuneration Committee assessed the performance of the executive Directors and the senior management, and reviewed their remuneration. The Remuneration Committee also recommended to the Board on the disclosures of remuneration and services agreement of Directors in the draft 2024 Annual Report and circular for the annual general meeting, reviewed the implementation of the 2024 Share Option Scheme during the year of 2024, proposed the emoluments of the newly appointed senior management members, and proposed to amend the rules of the 2024 Share Option Scheme and the terms of the granted options. Details of the emoluments of Directors paid for the financial year ended 31 December 2025 and the Share Option Scheme are disclosed in the note to the consolidated financial statements and the Report of the Directors, respectively. The attendance record of individual Directors at the Remuneration Committee meetings is listed under the section headed “**Attendance Records of the Directors**” above on a named basis.

Details of the remuneration of each of the Directors for the Year are set out in note 42(a) to the consolidated financial statements.

Details of the five individuals with the highest emoluments are set out in note 10(b) to the consolidated financial statements.

The remuneration* of the members of senior management (other than Directors) of the Company by band for the Year is set out below:

RMB	Number of members of senior management
1 to 4,000,000	1
4,000,001 to 6,000,000	4
10,000,001 to 14,000,000	1

* The remuneration includes salary, contributions to retirement benefits, other social security costs and value of employee share schemes (if any)

Nomination Committee

The Nomination Committee currently comprises four members, including one non-executive Director, namely Ms. Yang Huiyan, who acts as the chairman, and three independent non-executive Directors, namely Mr. Rui Meng, Mr. Chen Weiru and Mr. Zhao Jun.

The main duties of the Nomination Committee include, inter alia, reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of independent non-executive Directors, assessing the time commitment and contributions of Board, regularly evaluating the performance of the Board, and making recommendations to the Board on the appointment and removal of Directors. Terms of reference of the Nomination Committee are currently available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bgyfw.com).

During the Year, the Nomination Committee held one meeting. In particular, the Nomination Committee reviewed and recommended to the Board the policy on diversity of Board members of the Company and structure, size and composition of the Board, the independence of independent non-executive Directors, the arrangements for retirement and re-election of Directors at the forthcoming annual general meeting. The attendance record of individual Directors at the Nomination Committee meeting is listed under the section headed “**Attendance Records of the Directors**” above on a named basis.

The nomination policy was adopted on 20 December 2018.

Objectives

1. The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Directors at general meetings for appointment or re-appointment or appoint as Directors to fill casual vacancies or as an addition to the existing Board.
2. The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.
3. The Committee should ensure that the Board members have skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

Selection Criteria

4. The factors listed below would be used as reference by the Nomination Committee in assessing candidates:
 - i. Reputation for integrity
 - ii. Achievements and experience among different industries
 - iii. Commitment in respect of available time and relevant interest
 - iv. Independence
 - v. Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, qualifications, professional experience, skills, knowledge, independence and length of service
 - vi. For proposed independent non-executive Directors who will be holding their seventh (or more) listed company directorship, whether the individuals would still be able to devote sufficient time to the Board (including whether the individuals have extensive experience in corporate governance of listed companies, are familiar with the management of listed companies, have close and good communication with the management of the Company and other independent non-executive Directors, can make the management decision of the Company works properly, are a chairman of the board or chief executive officer or full-time executive director of other listed companies, the business activity of other listed companies in which the individuals hold directorship, etc.)
 - vii. Other factors considered to be relevant by the Nomination Committee on a case-by-case basis, including the requirements and restrictions as stated in the Listing Rules

These factors are for reference only, and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

5. Retiring Directors are eligible for nomination by the Nomination Committee and recommendation by the Board to stand for re-election at a general meeting.
6. Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.
7. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

Corporate Governance Report

Nomination Procedures

8. The secretary of the Nomination Committee or the Company Secretary shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also identify candidates pursuant to the criteria set out in this policy and put forward candidates who are not nominated by Board members.
9. The Nomination Committee may use any process that it deems appropriate to evaluate the candidates pursuant to the criteria set out in this policy, which may include personal interviews, background checks, presentations or written submissions by the candidates and third-party references.
10. For filling a casual vacancy and for addition to the existing Board, the Nomination Committee shall make recommendations for the Board's consideration, approval and appointment. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation to the Shareholders.
11. In case of election at a general meeting, until the issue of the circular to the Shareholders, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
12. In order to provide information of the candidates nominated by the Board to stand for election at the general meeting, a circular will be sent to Shareholders. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations (including the Listing Rules), of the proposed candidates will be included in the circular to the Shareholders. In addition, where a new Director is appointed or re-designated, the Company will announce the change as soon as practicable and include details of the relevant Director as required pursuant to the Listing Rules.
13. The Shareholders may propose a person for election as a Director, details of which are set out in the "Procedures for Shareholders to Propose a Person for Election as a Director" of the Company. A Shareholder can serve a notice at the registered office, head office or the registration office (such place as the Board may from time to time determine to keep a branch register of members and where (except the Board otherwise directs) the transfer or other documents of title are to be lodged for registration and are to be registered) of the Company within the lodgment period of its intention to propose a resolution to elect certain person(s) other than those candidates set out in the Shareholder circular as a Director, without the Board's recommendation or the Nomination Committee's nomination. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.
14. A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.
15. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.
16. The Company will disclose this nomination policy in the Company's corporate governance report and/or by other means in accordance with the requirements of the Listing Rules.
17. The progress made towards achieving the objective set out in this nomination policy will be disclosed in the Company's corporate governance report annually and/or by other means in accordance with the requirements of the Listing Rules.

Environmental, Social and Governance Committee

The Environmental, Social and Governance Committee was established in August 2020 with written terms of reference. The Environmental, Social and Governance Committee currently comprises five members, including two executive Directors, namely Mr. Xu Binhuai and Mr. Xiao Hua; one non-executive Director, namely Ms. Yang Huiyan; and two independent non-executive Directors, namely Mr. Chen Weiru and Mr. Zhao Jun, and Mr. Xu Binhuai was appointed as the chairman of the Environmental, Social and Governance Committee. The main duties of the Environmental, Social and Governance Committee include, inter alia, (a) formulating and reviewing the environmental, social and governance (“ESG”) responsibilities, visions, strategies, framework, principles and policies of the Group, strengthening the materiality assessment and reporting process to ensure and implement continuous execution and implementation of ESG policies passed by the Board; (b) supervising and reviewing the work of the Group’s ESG working group and evaluating the Group’s ESG performance, and reporting to the Board; and (c) supervising the assessment of the environmental and social impact of the Group’s business and making recommendations to the Board, etc.

During the Year, the Environmental, Social and Governance Committee held one meeting and duly discharged the above duties. The attendance record of individual Directors at the Environmental, Social and Governance Committee meeting is listed under the section headed “**Attendance Records of the Directors**” above on a named basis.

Debt Recovery Committee

The Debt Recovery Committee was established in August 2024 with written terms of reference. As of the date of this report, the Debt Recovery Committee currently comprised five members, including the executive Director Mr. Xu Binhuai who acts as the chairman, and other five members, namely executive Director Mr. Xiao Hua, independent non-executive Director Mr. Rui Meng, and three members of the core management (among them, Ms. Tian Tian, the chief financial officer of the Company, was appointed on 27 March 2026 as a member of the Debt Recovery Committee).

The purpose of establishing the Debt Recovery Committee is to facilitate the timely recovery of the Group’s trade receivables, to improve the efficiency of decision-making and execution of matters relating to the recovery of the Group’s trade receivables, to safeguard the operating cash flow, and to assist the Board in maintaining a sound and effective risk management and internal control system to effectively prevent risks. The committee shall provide regular progress reports to the Board regarding debt recovery efforts, and recommend the Board to take appropriate corporate actions in due course to protect the interests of the Shareholders.

During the Year, the Debt Recovery Committee held one meeting, and have discharged the aforementioned duties. The attendance record of individual Directors at the Debt Recovery Committee meeting is listed under the section headed “**Attendance Records of the Directors**” above on a named basis.

CORPORATE GOVERNANCE FUNCTION

As no corporate governance committee has been established by the Company, the Board is responsible for, among other things, formulating and reviewing the policies and practices on corporate governance of the Group and making recommendations for such aspects, reviewing and monitoring the policies and practices on the Group’s compliance of legal and regulatory requirements, reviewing and monitoring the training and continuous professional development of Directors and senior management, and reviewing the Group’s compliance with the Corporate Governance Code and the disclosures in the annual report. This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.



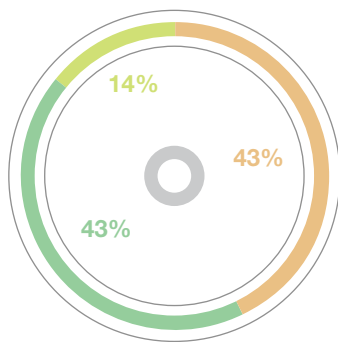
SUMMARY OF THE BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “**Board Diversity Policy**”) setting out the objectives and the factors to be considered for achieving the diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. All Board appointments will be based on meritocracy and competence, and the candidates will be considered against certain objective criteria such as gender, age, cultural and educational background, ethnicity, professional qualifications, experience, skills, knowledge and length of services, etc. The Board, through the Nomination Committee, monitors the implementation and effectiveness of the Board Diversity Policy and reviews the policy as and when appropriate.

The Company seeks to achieve Board diversity taking into account a number of factors, including but not limited to educational background, gender, age, skills and knowledge. The ultimate selection decision will be based on merits of the candidates and contribution to the Board.

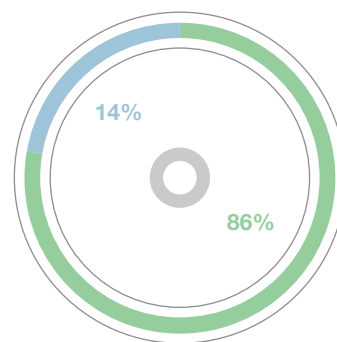
As at 31 December 2025, an analysis of the Board composition based on the range of diversity perspectives is set out as follows:

Educational background (highest)



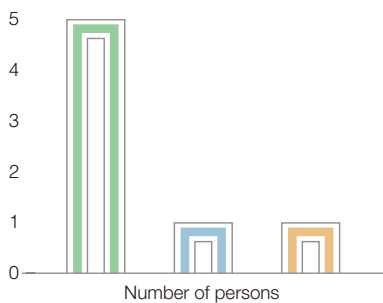
● Master's Degree ● Doctorate Degree ● Others

Gender



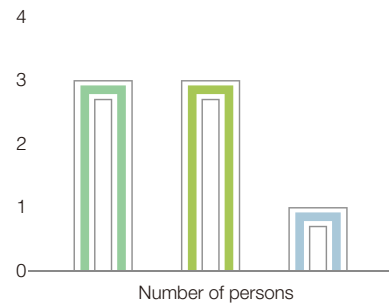
● Male ● Female

Skills and knowledge



■ Development Strategy and Marketing Management ■ Property Management
 ■ Financial Management

Age



■ 41-50 ■ 51-60
 ■ 61-70

Each of the Board members possesses different skills and knowledge, including development strategy and marketing management, property management, financial management, etc. The Board is characterised by significant diversity in terms of gender, age, education, skills and knowledge.

The current Board comprises one female member and six male members, with the female member serving as the chairman of the Board. The Board targets to maintain at least the current level of female representation, with the ultimate goal of achieving gender parity. The Board is mindful of the factors for assessing the candidacy of the Board members, and will ensure that any successors to the Board shall follow the Board Diversity Policy. Similar considerations shall also be in place to assess the candidacy of the senior management team from time to time. The Board will, by inviting existing Directors to recommend suitable candidates, engaging independent professional search firm(s) to help identify potential candidates for independent non-executive Directors, and other means, continue to take opportunities to increase the proportion of female members as and when suitable candidates are identified in the future. The Company is determined to enhance the diversity of the Board to achieve gender equality in respect of the gender ratio. For the diversity of succession plan, the Board will also take the gender diversity of successors into consideration. The Company expects that the above targets are achievable with suitable effort in promoting gender diversity.

Viewing from the Company's perspective as a whole, as at 31 December 2025, the Company has 209,837 employees (including senior management) in total comprising of approximately 92,114 females and 117,723 males (a male-to-female ratio of 6:4), achieving balanced gender diversity in general and reflecting a gender equality principle generally adhered by the Company. The Group strives to form a diversified and inclusion work environment and values the representation of female members among senior management. The percentage of female members in the core senior management team of CG Life Services, the main operating entity under the Group in the PRC, was 32%, leveraging "she-power" in the workplace. The Company is mindful of the objectives set out in the diversity policy when assessing the candidacy of the employees, and will ensure that the Company shall continue to follow the policy.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the Year in accordance with the legal requirements and applicable accounting standards.

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

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

DEED OF NON-COMPETITION

Ms. Yang Huiyan, the ultimate controlling Shareholder of the Company, has entered into a deed of non-competition (the "**Deed of Non-competition**") dated 29 May 2018 in favour of the Company to the effect that she will not, and will procure her respective close associates (except the CGH Group) not to, directly or indirectly participate in, or hold any right or interest in, or otherwise be involved in any business which may be in competition with the business of the Company. Further details are set out in the section titled "**Deed of Non-Competition**" in the prospectus of the Company dated 6 June 2018.

The Company has received the written confirmation from Ms. Yang Huiyan in respect of her compliance with the Deed of Non-Competition for the Year. The independent non-executive Directors have reviewed the compliance with and enforcement of the Deed of Non-Competition by Ms. Yang for the Year.

RISK MANAGEMENT AND INTERNAL CONTROL

Duties of the Board and the Management

The Board is solely responsible for maintaining sound and effective risk management and internal control systems to safeguard the Company's assets and the Shareholders' interests. The Board deeply understands that effective risk management and internal control systems play an indispensable role in ensuring the Company's continuous legal and compliant operations, as well as in effectively responding to changes in the internal and external environment. Given that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve the business objectives, the systems can only provide reasonable assurance, rather than absolute assurance that there will be no material misstatement or loss. The Company is aware of the duties of the Board and the management in the risk management and internal control systems:

- **The Board (decision-making level):** shall be responsible for assessing and determining the category and extent of the risks (covering ESG risks) that the Company is willing to take in pursuing the strategic objectives. It shall ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems, continuously overseeing the management in the design, implementation and operation of such systems and conducting annual reviews to ensure that sufficient resources are allocated in areas such as staffing, professional qualifications, system development and talent cultivation, thereby providing strong support for risk management and internal control efforts.
- **The Audit Committee (decision-making level):** shall be responsible for continuously monitoring the overall design and operations of the Company's risk management and internal control systems, reviewing the construction of the risk management system, and conducting regular review and evaluation of the effectiveness of the system.
- **The Supervisory Committee (decision-making and supervisory level):** shall be responsible for overseeing the establishment, execution and implementation of the risk management and internal control systems by the Board, and safeguarding the legitimate rights and interests of the Company and the Shareholders from an independent supervisory perspective.
- **The senior management at headquarters (execution level):** shall be responsible for driving the daily operation of the risk management and internal control systems, ensuring that all control measures are duly implemented and providing assurance to the Board on the effectiveness of the operation of such system.
- **The management of the headquarters and its subsidiaries (execution level):** formulates and implements the specific risk response solutions and management measures based on the actual circumstances of the businesses, tracks and monitors risk dynamics and the effectiveness of such responses and reports to the senior management at headquarters.
- **The Risk Control, Audit and Supervision Department (supervisory body):** independently supervises the operation of the risk management and internal control systems of the headquarters and all subsidiaries, and promotes continuous improvement of the systems. The department conducts independent assessments of the Company's risks through various means such as risk control projects and audit projects, reports identified issues and rectification progress to the Audit Committee, and follows up on the implementation of remedial measures. During the reporting period, members of the Group's Risk Control, Audit and Supervision Department held in aggregate twelve professional qualifications, covering areas such as Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), Certified Anti-Fraud Professional (CAP), as well as financial accounting, taxation, legal and other professional fields, providing the department with sufficient professional competence to perform its risk management and internal control functions.

Annual Risk Management and Internal Controls

1. *The Risk Management and Internal Control System Construction*

CG Services has set up a top-down and bottom-up integrated risk management infrastructure at the group level, and has been continuously improving and refining such framework, defining clear and executable risk management procedures and adopting an active and structured approach to promote the deep implementation of its internal risk management culture. Meanwhile, the Company has continuously made reference to the internal control framework issued by COSO (Committee of Sponsoring Organizations of the Treadway Commission), and further refined the design of its internal control system by taking into account its business characteristics. The Company also clearly defines the powers and responsibilities of each unit and each department to protect assets from improper use, maintain proper accounts and ensure compliance with the rules. During the Year, based on the existing foundation, the Company has further advanced system development of its systems through the following work:

- **The risk management system:** the Company has further optimized a risk management structure covering the decision-making level, the execution level and the supervisory level based on the organizational structure of the Company. The responsibilities of each level are clearly defined to ensure that the risk management objectives are consistent with the Company's strategic objectives. In terms of mechanism design, the Board, the Audit Committee and the Supervisory Committee will identify, assess and monitor risks at company level using a top-down approach, while the management of each business unit will identify, manage and report operational risks using a bottom-up approach. The Company has established a corresponding risk management process, covering the management actions including risk identification, risk analysis, risk response and risk tracking, and has comprehensively reviewed various risks of the Company by adopting certain risk assessment methods to ensure that the risk management work is carried out in an orderly manner.
- **The internal control system:** the Company has further clarified the responsibilities and boundaries of each level and function in internal control, and clearly defined the respective roles of the Board, the management and independent oversight department. The Board is responsible for overseeing the implementation of the internal control system by the management and reviewing the effectiveness of such system on an annual basis. The management reports the implementation of the system to the Board to ensure that all control measures operate effectively and are continuously optimized. The Company has established an independent oversight department that regularly reports the operation of the internal control system to the Board and the Audit Committee.
- **The anti-corruption system:** the Company has continuously strengthened the development of an integrity and compliance culture, maintaining a zero-tolerance stance against corruption, and has established a monitoring function to coordinate anti-corruption efforts across the Company, including maintaining smooth channels for complaints and whistle-blowing, establishing and continuously improving accountability system for violations, and conducting anti-corruption training and communication for employees of all units to ensure that awareness of integrity and compliance is effectively communicated throughout the organization.



Corporate Governance Report

2. Implementation of Risk Management and Internal Control

- **In terms of risk management:** taking into account external regulatory developments, changes in the market environment and its internal operating conditions, the Company has implemented a series of specialized risk control efforts to assess the likelihood of occurrence and potential impact of risks. Based on the Company's risk tolerance abilities, it has also proposed targeted response measures and coordinated with various departments to ensure the implementation. The Risk Control, Audit and Supervision Department has designed a risk assessment system to dynamically track key risk matters and continuously evaluate the effectiveness of mitigation measures. The Audit Committee, on behalf of the Board, has regularly reviewed the changes in the nature and extent of various major risks of the Company (including ESG-related risks), including significant risks, and completed the review of the risk management system which was considered by it to be overall effective and adequate. During the reporting period, the management held two meetings to report the situation of risk control and the operation of the system to the Audit Committee and the Board.
- **In terms of internal control:** the Company has continuously deepened its internal control work by combining routine audits and special audits to systematically assess the effectiveness of controls across various aspects of daily operations, and to promptly follow up and rectify identified issues. During the reporting period, the Risk Control, Audit and Supervision Department completed a total of 15 risk control audit projects, including performance audits and departure audits, and has established a comprehensive deficiency classification standard and rectification closed-loop mechanism to ensure that issues identified in audits are effectively tracked until rectification is completed, and regularly reports the results of internal control reviews to the Audit Committee. In addition, the Risk Control, Audit and Supervision Department has also conducted targeted training on risk awareness and internal control skills for the Company's employees. During the reporting period, more than 2,300 participants attended such training, with the aim of enhancing the risk awareness and internal control capabilities of personnel in key positions, thereby improving the overall effectiveness of the internal control system.
- **In terms of anti-corruption:** the Company has continuously strengthened red-line awareness and integrity and compliance discipline among all employees (including new recruits) through daily meetings, specialized training, online courses and other methods. The Company has established multiple complaint and whistleblowing channel, including a dedicated reporting email, a 400 hotline and online channels (OA platform), which are maintained by designated personnel on a regular basis. The Risk Control, Audit and Supervision Department is responsible for conducting independent investigations and handling of reported matters, and protects the privacy of whistleblowers in accordance with the Measure for Whistleblower Protection and Management of the Group. The Company has continuously revised and improved institutional documents such as the Regulations on the Management of Employees' Professional Conduct of the CG Services Group to play its role of guiding and restraining the behavior of its employees. During the reporting period, the Risk Control, Audit and Supervision Department handled a total of 468 whistleblowing cases. Through standardized verification, follow-up and investigation procedures, a total of 306 cases of non-compliance and misconduct were addressed, effectively promoting the implementation of integrity and compliance principles across the Company. In terms of conflict-of-interest management, the Company has organized all employees to sign conflict-of-interest undertakings, and has simultaneously optimized the technical support and management mechanisms for conflict-of-interest declarations, making the reporting process more convenient and standardized. Through the above comprehensive measures, the Company has continuously enhanced its anti-corruption capabilities and further reinforced a corporate culture of integrity and fairness.



Summary of the Effectiveness of Review of Risk Management and Internal Control Systems

During the Year, the Board of the Company, through the Audit Committee, has conducted a comprehensive review of the risk management and internal control systems of the Company, which includes major risk assessment and internal control review of key business processes in the Year. The period of this review covered the financial year of 2025 with the scope covering the Company's main business and all significant control measures, including financial monitoring, operational monitoring and compliance monitoring, and took into account changes in the nature and extent of significant risks (including ESG risks), as well as the Company's ability to respond to changes in its business and external environment. During the Year, the Company has established and maintained the operation of relatively sound risk management and internal control systems with various management and control mechanisms operating normally and there were no significant control failings or weaknesses identified. For the various inherent risks identified during the annual risk assessment, the Company has formulated corresponding control measures and response plans, which would be implemented by the Group and all grassroots business units under the coordination of the senior management at the headquarters, thereby keeping overall risks within a controllable range. The Board considers that the Company has complied with the risk management and internal control provisions set out in the Corporate Governance Code and that the risk management and internal control systems are effective and adequate.

The Board has reviewed the resources, staff qualifications and experiences of accounting, internal audit, financing reporting functions, as well as those relating to the Company's ESG performance and reporting and the training programs for staff and the relevant budget, and the processes for relevant financial reporting and compliance with the Listing Rules, and considered them effective and adequate.

During the year ended 31 December 2025, the Group has implemented procedures and internal controls for the handling and dissemination of inside information. In particular, the Group:

- has conducted its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission in June 2012;
- has established the Group's own disclosure obligation procedures, which set out the procedures and controls for the assessment of potential inside information and the handling and dissemination of inside information. The procedures have been communicated to the senior management and staff of the Company, and their implementation was monitored by the Company; and
- has made broad, non-exclusive disclosure of information to the public through channels such as financial reports, public announcements and its website.

JOINT COMPANY SECRETARIES

The joint company secretaries of the Company are Mr. Chen Dilin, the vice president of CG Life Services and the authorised representative of the Company, and Mr. Leung Chong Shun, a practicing solicitor and an external service provider. They have complied with the relevant professional training requirements under Rule 3.29 of the Listing Rules by taking not less than 15 hours of relevant professional training during the Year.

The primary contact person of the Company with Mr. Leung is Ms. Zhang Lin, the head of the listing company secretariat of the Company.



Corporate Governance Report

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company regarding its reporting responsibilities on the Company's financial statements for the Year is set out in the section headed "**Independent Auditor's Report**" in this annual report.

An analysis of the fees for the auditor of the Company, Deloitte, in respect of audit services and non-audit services for the Year is as follows:

Types of services provided by the external auditor	Amount (RMB'000)
— 2025 interim financial report Professional review service	2,400
— Non-audit service ESG consulting service	350
— 2025 annual financial statements Professional audit service	5,700
Total:	8,450

CONSTITUTIONAL DOCUMENTS

During the Year, no changes were made to the constitutional documents of the Company. The latest versions of such documents are available on the Company's website (www.bgyfw.com) and the website of the Stock Exchange (www.hkexnews.hk).

DIVIDEND POLICY

Pursuant to the Articles of Association and Dividend Policy, dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserves set aside from profits which the Directors determine is no longer required. Dividends may also be declared and paid out of the share premium account or any other fund or account which is authorised for this purpose in accordance with the Cayman Islands Companies Act. Any declaration of dividends, however, is subject to the Company's results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which the Board may consider relevant.

In addition, any declaration and payment as well as the amount of the dividends will be subject to the provisions of (i) the Articles of Association, which require any final dividends to be approved by Shareholders at a general meeting, and (ii) the Cayman Islands Companies Act, which provides that dividends may be paid out of sums standing to the credit of its share premium account provided that immediately following the payment of dividend, the Company shall be able to pay its debts as they fall due in the ordinary course of business. Under the applicable PRC law, each of the Company's subsidiaries in the PRC may only distribute after-tax profits after it has made allocations or allowances for recovery of accumulated losses and allocations to the statutory reserves.

The final dividend in respect of any financial year shall be approved by the shareholders, and the interim and special dividends may be approved by the Board at its discretion. The Company may declare and pay dividends in cash or in scrip shares or in such other forms as the Board may think fit and in accordance with the Articles of Association of the Company and all applicable laws and regulations.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Communication with Shareholders

The Group recognises the importance of transparent and timely disclosure of corporate information, which enables Shareholders and investors to make the best investment decision. The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company has adopted a Shareholder's Communication Policy effective from July 2020, and has revised the policy on 29 December 2022 and 27 March 2025, which sets out the Company's commitment of maintaining an effective ongoing dialogue with Shareholders. In summary, the Company establishes different communication channels with Shareholders and stakeholders including: (i) provision of printed or electronic copies of corporate communications; (ii) provision of timely corporate information on the Company's website; (iii) holding of annual general meetings to provide platform for Shareholders to raise comments and exchange views with the Board; and (iv) arrangement in serving the Shareholders in respect of all share registration matters. During the Year, the Board has reviewed the implementation and effectiveness of the Shareholder's Communication Policy, including the existing shareholder communication channels and measures for handling shareholders' enquiries, considered that the policy had been properly implemented and remained effective. The Board considered that it remained effective in enhancing timely, transparent, accurate and open communication between the Company and the Shareholders. The policy is available at the Company's website (www.bgyfw.com). The Board will review annually the implementation and effectiveness of the said policy.

The Company maintains a website (www.bgyfw.com) with an "Investor Relations" column where information of the Group's businesses and projects, key corporate governance policies and announcements, financial reports and other information are available for public access. The Shareholders and investors may send written enquiries or requests to the Company as follows.

Telephone: +86 757 2991 7238
 Facsimile: 0757-2633 6002
 Email: irps@bgyfw.com

In 2025, the Investor Relations Department focused on the core objective of communication with domestic and overseas stakeholders, and coordinated a series of activities including reverse roadshows, open days, offline summits and frequent targeted communications. Through a multi-channel and comprehensive communication approach, we efficiently conveyed the Company's value and development achievements. All exchanges received positive feedback, continuously consolidating and optimising market relationships. In 2025, the investor relations team participated in 17 summits (as shown in the table below), engaging with hundreds of investment institutions, and actively conducted 3 reverse roadshows and nearly 100 online communications with investors and analysts.

No.	Month/Year	City	Event
1	January 2025	Beijing	Morgan Stanley China BEST Conference
2	January 2025	Shanghai	UBS Greater China Conference
3	May 2025	Shenzhen	BofA China Conference
4	May 2025	Shanghai	CITIC Shanghai Strategy Conference
5	June 2025	Shanghai	Guotai Haitong Strategy Conference
6	June 2025	Shanghai	Huatai Mid-Year Strategy Conference
7	June 2025	Shanghai	CICC Strategy Conference
8	June 2025	Shanghai	Sinolink Securities Mid-Year Strategy Conference
9	June 2025	Hong Kong	Citi 2025 Asia Pacific Property Conference
10	July 2025	Shenzhen	Soochow Securities Strategy Conference
11	September 2025	Shenzhen	HSBC Conference
12	September 2025	Hong Kong	CLSA 32nd Investors Forum
13	September 2025	Shanghai	Caitong Securities Strategy Conference
14	November 2025	Shenzhen	CITIC Strategy Conference
15	November 2025	Shenzhen	Citi China Conference
16	November 2025	Shenzhen	Guosheng Securities Strategy Conference
17	November 2025	Beijing	CICC Strategy Conference

Corporate Governance Report

General Meeting

General meetings serve as a communication platform where the Board can maintain a face-to-face dialogue with the Shareholders and investors. Notice of general meetings together with the circular and other documents will be sent to the Shareholders at least 21 clear days and at least 14 clear day before the annual general meeting.

The Company holds an annual general meeting every year and may hold a general meeting known as an extraordinary general meeting whenever necessary. The chairman of the respective Board committees, independent non-executive Directors, the Company Secretaries and other external professionals will be present at the general meetings timely to answer questions raised by the Shareholders and investors at the meeting.

SHAREHOLDERS' RIGHTS

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

Convening of Extraordinary General Meeting at the Request of Shareholders

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

Procedures for Putting Forward Proposals at General Meetings by Shareholders

According to the Cayman Islands Companies Act, there are no provisions on the procedures for putting forward proposals at general meetings by the Shareholders. According to the Articles of Association, there are no provisions on the procedures for putting forward proposals at general meetings by the Shareholders, except for the proposal which may be put forward by the Shareholders at a general meeting for electing Directors to nominate individuals to participate in the election of Directors. The Shareholders who wish to put forward a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.



Procedures for Directing Shareholders' Enquiries to the Board

The Company has established various and different communication channels with its Shareholders, which include general meetings, annual and interim results, annual reports and interim reports, notices, announcements and circulars. In addition, the Company updates its website from time to time to keep the Shareholders updated of the Company's recent development.

The Shareholders may at any time send their enquiries and concerns to the Board in writing, the contact details of which are contained on the Company's website (www.bgyfw.com).

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

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

All resolutions put forward at the general meetings shall be voted by poll pursuant to the Listing Rules and the Articles of Association. The poll voting results will be posted on the websites of the Company (www.bgyfw.com) and the Stock Exchange (www.hkexnews.hk) after each of general meetings.

PURPOSE, VALUES, STRATEGY AND CULTURE

The core purpose of the Company is to create value for its Shareholders. It strives to become the global leading pioneer in the property management industry that is trusted by its consumers, and a place where its employee are proud to work for. Its mission is to lead the development of the industry and set the industry benchmarks. In this connection, it endeavors to maintain accountability to its employees, consumers, Shareholders, the society, and the environment. These purpose and value shape the Company's strategy, which are geared towards building a trusted and beloved property management enterprise whereby values for the Shareholders are created.

The Company's purpose, values, and strategy form the cornerstone of the Company's corporate culture. Its corporate culture is centered on adherence to high ethical standards and practices, and striving for sustainable development.



REPORT OF THE DIRECTORS

The Board is pleased to present the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and a leading integrated service provider in the PRC covering diversified business forms. Its subsidiaries are principally engaged in property management services, community value-added services, value-added services to non-property owners, the “Three Supplies and Property Management” businesses, environmental business (the main business of the former city services business segment) and commercial operational services. An analysis of the Group’s revenue for the year ended 31 December 2025 by principal activities is set out in note 6 to the consolidated financial statements of the Group.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 111.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 is set out below:

	Section(s) in this Annual Report	Page No. of this Annual Report
a.	Fair review of the Company’s business	Management Discussion and Analysis 20 to 38
b.	Description of the principal risks and uncertainties facing the Company	Management Discussion and Analysis 20 to 38
c.	Particulars of important events affecting the Company that have occurred following the end of the year ended 31 December 2025	Management Discussion and Analysis 38
d.	Indication of likely future development in the Company’s business	Chairman’s Statement and Management Discussion and Analysis 15 to 18 and 20 to 38
e.	Analysis using key financial performance indicators	Financial Summary and Management Discussion and Analysis 19 and 20 to 38
f.	Discussion on the Company’s environmental policies and performance	The Company’s environmental policies and performance are set out in the “Country Garden Services Holdings Company Limited Environmental, Social and Governance Report 2025” (a standalone report) which will be published simultaneously with the annual report of the Company Not applicable
g.	An account of the Company’s key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company’s success depends	Management Discussion and Analysis and Report of the Directors 20 to 30 and 66 to 105
h.	Discussion on the Company’s compliance with the relevant laws and regulations that have a significant impact on the Company	Corporate Governance Report and Report of the Directors 46 to 65 and 66 to 105

FINAL DIVIDEND AND SPECIAL DIVIDEND

Reference is made to the announcement of the Company dated 27 March 2026 in relation to the Group's annual results for the year ended 31 December 2025 (the "**Annual Results Announcement**"). As mentioned in the Annual Results Announcement, the Board recommended the payment of a final dividend of RMB4.62 cents (2024: RMB13.52 cents per Share) per Share and a special dividend of RMB41.80 cents (2024: RMB16.09 cents per Share) per Share for the year ended 31 December 2025 to the Shareholders whose names appear on the register of members of the Company on Thursday, 11 June 2026 (the "**Eligible Shareholders**") as a token of appreciation to all Shareholders for their continuous support to and trust in the Company.

If the total number of the issued Shares of the Company changes during the period from the date of the Annual Results Announcement to Thursday, 11 June 2026 (i.e. the record date for determining the entitlements of the Eligible Shareholders to the proposed final dividend and special dividend), the Board recommends an adjustment to the dividend per Share accordingly, based on the principle that the total amount of the final dividend and special dividend should be approximately equivalent to and not less than 60% of the core net profit* attributable to the owners of the Company for the year ended 31 December 2025 (being approximately RMB1,511.4 million). Therefore, the final amounts of the final dividend and/or special dividend per Share may be adjusted. Further announcement(s) will be made to disclose the details of such adjustments.

The proposed final dividend and special dividend shall be declared in RMB and paid in HKD out of the Company's retained earnings. The final dividend and special dividend paid in HKD will be calculated based on the average middle rate of RMB against HKD as announced by the People's Bank of China from Friday, 5 June 2026 to Thursday, 11 June 2026. The Eligible Shareholders shall have the option to elect to receive such final dividend and special dividend wholly in new Shares, partly in new Shares and partly in cash, or wholly in cash (the "**Scrip Dividend Scheme**"). Such new Shares will, upon issuance, rank pari passu in all respects with the existing Shares in issue on the date of allotment and issuance of the new Shares, however, such new Shares will not be entitled to the proposed final dividend and special dividend.

The Scrip Dividend Scheme is conditional upon passing of the resolutions regarding the payment of the final dividend and special dividend at the annual general meeting, and the granting of listing of and permission to deal in the new Shares to be issued under the Scrip Dividend Scheme by the Stock Exchange.

A circular containing full details of the Scrip Dividend Scheme together with the relevant form of election will be despatched to the Eligible Shareholders in due course. It is expected that the final dividend warrants, special dividend warrants and share certificates for the new Shares (if the Eligible Shareholders elect to receive part or all of their final dividend and special dividend in new Shares) will be sent to the Eligible Shareholders on or around Friday, 21 August 2026 at the Shareholders' own risk.

None of the shareholders has made any arrangement under which he/she waives or agrees to waive any dividends.

SHARE CAPITAL

Details of the issued Shares and the movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 29 to the consolidated financial statements of the Group.

* Core net profit attributable to the owners of the Company excluding share-based payment expenses, amortisation charges of intangible assets — contracts and customer relationships, insurance brokerage licenses and brands arising from mergers and acquisitions, impairment of goodwill and other intangible assets, impairment of loans to third parties pledged by equities, gains or losses from disposal of subsidiaries, expected losses on external guarantee, impairment provision or reversal of receivables from related parties, gains or losses on fair value changes of contingent considerations related to performance guarantees and the impact of the related income tax expenses and non-controlling interests arising from the aforementioned adjustments.

Report of the Directors

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in note 16 to the consolidated financial statements of the Group.

INTANGIBLE ASSETS

Details of the movements in intangible assets of the Group during the year ended 31 December 2025 are set out in note 19 to the consolidated financial statements of the Group.

BORROWINGS

Details of the borrowings of the Group during the year ended 31 December 2025 are set out in note 35 to the consolidated financial statements of the Group.

EQUITY LINKED AGREEMENT

Save as disclosed in the section headed **“Share Option Scheme”**, **“Share Award Scheme”** and the paragraphs of **“Acquisition of Shares of Everjoy Services Company Limited”** under the section headed **“Disclosure Pursuant to Rule 14.36B of the Listing Rules”**, no equity linked agreements were entered into by the Company as at the end of or at any time during the year ended 31 December 2025.

DONATIONS

The total donations made by the Group during the year ended 31 December 2025 amounted to approximately RMB1,817,000 (2024: approximately RMB1,564,000).

DIRECTORS’ RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed **“Connected Transaction and Continuing Connected Transactions”**, **“Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations”**, **“Share Option Scheme”** and **“Share Award Scheme”**, none of the Company, any of its subsidiaries, fellow subsidiaries or holding companies was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company as at the end of or at any time during the year ended 31 December 2025.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the distributable reserves of the Company amounted to approximately RMB3,936,364,000 (2024: approximately RMB3,897,167,000). Details of the movements in reserves of the Company during the year ended 31 December 2025 are set out in note 41 to the consolidated financial statements of the Group.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR PURCHASING CAPITAL ASSETS OF THE GROUP AND THEIR EXPECTED SOURCES OF FUNDING IN THE COMING YEAR

The Group will plan for material investments according to its strategic objectives and business requirements.

FINANCIAL SUMMARY

A financial summary of the Group is set out on page 19 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the percentage of purchases attributable to the five largest suppliers combined of the Group, and the percentage of revenue from sales of goods or rendering of services attributable to the five largest customers combined of the Group are both below 30%.

DIRECTORS' AND SHAREHOLDERS' INTERESTS IN SUPPLIERS AND CUSTOMERS OF THE GROUP

As at 31 December 2025, Ms. Yang Huiyan, our ultimate controlling shareholder, the chairman of the Board and a non-executive Director, owned a total of 101.68% interest in CGH, with a voting interest of 46.47%. The CGH Group is one of the Group's five largest customers.

Save as disclosed, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any direct or indirect interests in the Group's five largest customers or suppliers.

CHANGES OF INFORMATION ON DIRECTORS

Changes of information on Directors which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below.

Ms. Yang Huiyan, Chairman and Non-executive Director

During the Year, Ms. YANG Huiyan ("**Ms. YANG**"), the chairman and a non-executive Director of the Company, was involved in the following regulatory matters: (1) in May 2025, as CG Holdings and its subsidiary Country Garden Real Estate Group Co., Ltd. failed to timely disclose 2024 interim reports, each of the Shanghai Stock Exchange (the "**SSE**") and the Shenzhen Stock Exchange (the "**SZSE**") made the decision to publicly reprimand Ms. YANG and other named persons respectively, and recorded the decision in their integrity file database; (2) in November 2025, as Giant Leap Construction Technology Group Co., Ltd. (騰越建築科技集團有限公司) ("**Giant Leap Construction**", a subsidiary of CG Holdings and an issuer of corporate bonds trading on the SSE) failed to timely disclose changes in corporate information, significant litigation and being listed as a dishonest party, the Guangdong Securities Regulatory Bureau of the China Securities Regulatory Commission took measures by issuing warning letter to Giant Leap Construction, as well as its then chairman Ms. YANG and other named persons who were responsible to ensure Giant Leap Construction's compliance of its disclosure obligations.

As stated in the announcement of CG Holdings dated 21 May 2025 and 27 November 2025, respectively, the relevant non-compliance was caused by (1) CG Holdings and its subsidiaries and (2) Giant Leap Construction respectively due to objective reasons. Following inquiries with Ms. YANG and review of the relevant letters, the Board (except Ms. YANG) believes that there is no reason to doubt the integrity and ability of Ms. YANG, and that it is appropriate for her to continue serving as the chairman and a non-executive Director of the Company. Please refer to the announcements of the Company dated 23 May 2025 and 1 December 2025 for further details.

In respect of the announcement dated 10 February 2026 of CG Holdings in relation to the matter that CG Holdings, the executive director and chairman of CG Holdings, i.e. Ms. YANG, and other named persons recently received the "Decision on Disciplinary Action" (the "**Decision on Disciplinary Action**") issued by the SSE, due to the failure of CG Holdings to timely disclose certain overdue debts of CG Holdings in accordance with the relevant bond listing rules of the SSE, the SSE made the decision to impose self-regulatory measures on CG Holdings, Ms. YANG and other named persons (collectively "**Such Persons**") respectively, and issued a circulated criticism to CG Holdings and Such Persons and recorded it in the integrity file database.

Report of the Directors

The Board has made enquiries with Ms. YANG in relation to the above matter and reviewed the Decision on Disciplinary Action. As stated in the announcement dated 10 February 2026 of CG Holdings, considering that the relevant non-compliance was caused by the failure of CG Holdings to disclose overdue debts in a timely manner due to objective factors and not due to the failure of the relevant individuals to discharge their duties, the Board (except Ms. YANG) believes that there is no reason to doubt the integrity and ability of Ms. YANG and that it is appropriate for her to continue serving as the chairman and a non-executive director of the Company. Please refer to the announcement of the Company dated 11 February 2026 for further details.

Mr. Rui Meng, Independent Non-executive Director

In May 2025, Mr. Rui acted as an independent director of the board of directors of Dongguan Tarry Electronics Co., Ltd. (東莞市達瑞電子股份有限公司) (a company listed on the SZSE (stock code: 300976)).

In June 2025, Mr. Rui resigned as an independent non-executive director of the board of directors of Landsea Green Management Limited (朗詩綠色管理有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 106)).

In December 2025, Mr. Rui resigned as an independent director of Bright Scholar Education Holdings Limited (博實樂教育控股有限公司), a company listed on the New York Stock Exchange (stock code: BEDU). The company subsequently withdrew from listing in December 2025.

Mr. Chen Weiru, Independent Non-executive Director

In April 2025, Mr. Chen resigned as an independent director of the board of directors of TAL Education Group (好未來教育集團), a company listed on the New York Stock Exchange (stock code: TAL).

In June 2025, Mr. Chen resigned as an independent non-executive director of Vision Deal HK Acquisition Corp., a special purpose acquisition company listed on the Main Board of the Stock Exchange (stock code: 7827). The company withdrew from listing in June 2025.

In June 2025, Mr. Chen acted as an independent non-executive director of the board of directors of Sinopharm Group Co. Ltd. (國藥控股股份有限公司) (a joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the Stock Exchange (stock code: 01099)).

Mr. Zhao Jun, Independent Non-executive Director

In December 2025, Mr. Zhao resigned as an independent director of Bright Scholar Education Holdings Limited (博實樂教育控股有限公司), a company listed on the New York Stock Exchange (stock code: BEDU). The company subsequently withdrew from listing in December 2025.

In December 2025, Mr. Zhao resigned as an independent director of Gansu Jingang Solar Co. Ltd. (甘肅金剛光伏股份有限公司), a company listed on the SZSE (stock code: 300093).

During the year ended 31 December 2025 and up to the date of this annual report, save as disclosed above, there is no other information that is required to be disclosed under Rule 13.51B(1) of the Listing Rules.



DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this annual report are as follows:

Executive Directors

Mr. Xu Binhuai (*President*)
Mr. Xiao Hua

Non-executive Director

Ms. Yang Huiyan (*Chairman*)

Independent Non-executive Directors

Mr. Mei Wenjue
Mr. Rui Meng
Mr. Chen Weiru
Mr. Zhao Jun

In accordance with article 84(1) of the Articles of Association, Mr. Xu Binhuai, Mr. Xiao Hua and Mr. Mei Wenjue shall be subject to retirement by rotation and, being eligible, offer themselves for re-election at the annual general meeting of the Company to be held on Friday, 29 May 2026 ("**2026 AGM**").

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

On 10 October 2023, Mr. Xu Binhuai entered into a service agreement with the Company for a term of three years commencing on 10 October 2023.

On 3 April 2024, Mr. Zhao Jun entered into a letter of appointment with the Company for a term of three years commencing on 3 April 2024.

Save as disclosed above, each of other executive Directors and non-executive Directors has entered into a service agreement with the Company to renew his/her term of office, and each of other independent non-executive Directors has renewed his letter of appointment with the Company for a term of three years commencing on 19 June 2024, which are renewable and subject to termination under certain circumstances specified in the relevant service agreement and letter of appointment.

There was no service agreement or letter of appointment between the Directors proposed to be re-elected at the 2026 AGM and the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).



Report of the Directors

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

Save as disclosed in the paragraph headed “**Connected Transaction and Continuing Connected Transactions**”, no other transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director still has or had, directly or indirectly, a material interest subsisted at any time during the year ended 31 December 2025.

MATERIAL CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the paragraph headed “**Connected Transaction and Continuing Connected Transactions**”, there was no material contract entered into between the Company or any of its subsidiaries and its controlling shareholders or any of its subsidiaries, and there was no material contract involving the provision of services by the controlling shareholders or any of its subsidiaries to the Company or any of its subsidiaries at any time during the year ended 31 December 2025.

MANAGEMENT CONTRACTS

No contracts, other than the service contracts with the Directors and employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended 31 December 2025.

INTERESTS OF DIRECTORS AND THEIR ASSOCIATES IN COMPETING BUSINESS

During the year ended 31 December 2025, 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, which was required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

COMPLIANCE WITH THE DEED OF NON-COMPETITION

On 29 May 2018, Ms. Yang Huiyan, the controlling shareholder of the Company, entered into the Deed of Non-competition in favour of the Company.

Ms. Yang Huiyan has undertaken in the Deed of Non-competition that she will not, and will procure her close associates (as defined under the Listing Rules and excluding the CGH Group) not to directly or indirectly be involved in or undertake any business (other than the Group's business) that directly or indirectly competes, or may compete, with the Company's business, which includes providing property management services, community value-added services, value-added services to non-property owners, and other services forming an integrated service offering to the customers and covering the entire value chain of property management (collectively referred to as the “**Restricted Activities**”), or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by the Group from time to time except where the controlling shareholders and their close associates hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of the Group and they do not control 10% or more of the composition of the board of directors of such company.

For details of the Deed of Non-competition stated above, please refer to the section headed “**Relationship with our Controlling Shareholders**” in the prospectus of the Company dated 6 June 2018.

Ms. Yang Huiyan, the controlling shareholder of the Company, has provided the Company with a written confirmation dated 18 March 2026, in which Ms. Yang Huiyan confirmed that, during the year ended 31 December 2025, she and her close associates had fully complied with all terms and provisions of the Deed of Non-competition.

PERMITTED INDEMNITY PROVISION

The Articles of Association provide that every Director for the time being acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. However, such indemnity does not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

During the year ended 31 December 2025, the Company had taken out insurance for Directors and senior management to provide appropriate protection for the Directors and senior management of the Company.

The permitted indemnity provision was in force during the year ended 31 December 2025 for the benefit of the Directors.

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

Details of the emoluments of the Directors and senior management and those of the five highest paid individuals of the Group for the year ended 31 December 2025 are set out in note 42(a) and note 10(b) to the consolidated financial statements of the Group. Details of the emoluments of senior management by band for the year ended 31 December 2025 are set out in section headed “**Remuneration Committee**” in the Corporate Governance Report in this annual report.

The emoluments of individual Directors (including salaries and other benefits) are recommended by the Remuneration Committee of the Company for the Board’s approval in accordance with the “Emolument Policy of Directors and Senior Management” and having regard to the remuneration packages of comparable positions in similar companies, business requirements, individual experience, the Directors’ performance and duties, etc.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 10 to the consolidated financial statements.

The employees of the Group’s subsidiaries which operate in Chinese Mainland and Southeast Asia are required to participate in a defined contribution pension scheme operated by the local government authorities. These subsidiaries are required to contribute a certain proportion of its payroll costs to the pension scheme. The only obligation of the Company with respect to the pension scheme is to make the required contributions. No forfeited contribution under the pension scheme is available to reduce the contribution payable in future years. The contributions are charged to profit or loss as they become payable in accordance with the rules of the pension scheme.



Report of the Directors

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (the “**MPF Scheme**”) for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees’ relevant aggregate income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. No forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The assets of this pension scheme are held separately from those of the Group in independently administered funds. The MPF scheme of the Group has been onboarded to the “eMPF Platform”, with its administrative procedures standardized and regulated by the Mandatory Provident Fund Schemes Authority (MPFA).

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

Details of the connected transaction and continuing connected transactions that constitute non-exempt transactions under Chapter 14A of the Listing Rules are disclosed as follows.

(1) Connected Transaction

Unless otherwise defined herein, the capitalized terms used in this section shall have the same meanings as those defined in the announcement of the Company dated 6 May 2025.

On 6 May 2025 (after trading hours), the Company (as the Lender) entered into the Loan Agreement with Concrete Win and Fortune Warrior (as the Borrowers), pursuant to which the Company agreed to provide revolving loan facilities in an aggregate principal amount of RMB1,000,000,000 (or HKD equivalent) to Concrete Win and Fortune Warrior.

On 8 May 2025, the Company (as the Chargee) further entered into the Deed of Share Charge with Concrete Win and Fortune Warrior (as the Chargors) in respect of the Secured Assets, including a total of 543,695,233 Shares of the Company beneficially held by Concrete Win and Fortune Warrior, to secure the repayment and settlement of the principal and interest of the loan under the Loan Agreement and the Secured Debts. As at the date of this report, registration of the relevant share charge has been fully completed, and the Company has granted the loan above to the Borrowers.

Since Concrete Win and Fortune Warrior are companies directly wholly-owned by Ms. Yang, a non-executive Director and a Substantial Shareholder of the Company, Concrete Win and Fortune Warrior are associates of Ms. Yang and thus connected persons of the Company. As such, the Loan constitutes provision of financial assistance by and a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors are of the view that although the Loan Agreement was not entered into and the Deed of Share Charge is not to be entered into in the ordinary and usual course of business of the Group, the Loan Agreement was entered into and the Deed of Share Charge is to be entered into on normal commercial terms after arm’s length negotiations and taking into account, amongst other things, the prevailing market interest rates on borrowings, the loan to be on-lended to CG Holdings’ PRC subsidiaries for use in connection with matters relating to “guaranteed delivery of houses” and market practices, the terms of which are market-oriented, fair and reasonable, incorporated with various protective measures to effectively control risks, and in the interests of the Company and its shareholders as a whole.

Please refer to the announcement of the Company dated 6 May 2025 for further details.

(2) Continuing Connected Transactions

Continuing Connected Transactions with CGH

Since CGH is a majority-controlled company indirectly held by Ms. Yang Huiyan, the chairman of the Board, a non-executive Director and the controlling shareholder of the Company, CGH, its subsidiary and their 30%-controlled companies are associates of Ms. Yang Huiyan and thus connected persons of the Company. The transactions contemplated between the Company and the CGH Group (which, for the purpose of this section headed “**Continuing Connected Transactions with CGH**” only, includes 30%-controlled companies of CGH and its subsidiaries) therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

1. Trademark Licencing Arrangement

On 1 June 2018, a trademark licencing agreement was entered into between the Company and Shunbi Property and a deed of trademark licencing was entered into between the Company and CGH (the “**Trademark Licencing Arrangement**”), pursuant to which Shunbi Property agreed to and CGH would procure Shunbi Property to irrevocably and unconditionally grant to the Group a non-transferable licence to use several trademarks registered in the PRC and Hong Kong for a perpetual term commencing from the date of the trademark licencing agreement and the deed of trademark licencing, which is subject to the renewal of the licenced trademarks, on a royalty-free basis. In view of the needs for business development of the Group, the Company entered into a supplementary agreement with Shunbi Property on 13 March 2020, pursuant to which both parties agreed to increase the categories of registered trademarks licenced for use for the “information on registered trademarks licenced”.

The Directors considered that the Trademark Licencing Arrangement with a term of over three years can ensure the stability of our operations, and is beneficial to the Company and the Shareholders as a whole.

Shunbi Property, as the registered proprietor of the licenced trademarks, is an indirect wholly-owned subsidiary of CGH. CGH is an associate of Ms. Yang Huiyan, the chairman of the Board, a non-executive Director and a controlling shareholder of the Company, and therefore Shunbi Property is a connected person of the Company in accordance with the Listing Rules. Accordingly, the transactions under the Trademark Licencing Arrangement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The transaction under the Trademark Licencing Arrangement was within the de minimus threshold provided under Rule 14A.76 of the Listing Rules and was exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. For details of the Trademark Licencing Arrangement, please refer to the section headed “**Connected Transactions**” of the listing document of the Company dated 6 June 2018.

2. Property Management Services Framework Agreement

On 29 December 2023, the Company entered into a property management services framework agreement (the “**Property Management Services Framework Agreement**”) with CGH. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group. The services to be provided include property management services provided in respect of (i) the unsold property units that have been handed over and will be handed over by the CGH Group to the Group for management through statutory procedures during the term of such agreement and (ii) the sold property units that have not been delivered pursuant to the respective property purchase contracts for projects developed by the CGH Group, for a term of three years commencing on 1 January 2024 until 31 December 2026.

The annual caps (excluding tax) for fees paid by the CGH Group to the Group under the Property Management Services Framework Agreement for each of the three years ending 31 December 2026 are RMB440 million, RMB410 million and RMB370 million, respectively.

Report of the Directors

Since the incorporation of the Group, the Group has maintained business partnership with the CGH Group and provided property management services for the property owners of its property projects. The Group is a leading service provider in comprehensive property management in the PRC with diversified business focuses. The entry into of the Property Management Services Framework Agreement will help the Group to continue to obtain contracts for preliminary property management services for property projects developed by the CGH Group and provide satisfactory services to the property owners. The payment terms of the Property Management Services Framework Agreement are also conducive to the Group's control over the scale of its receivables and management of financial resources.

For details of the Property Management Services Framework Agreement, please refer to the announcement of the Company dated 29 December 2023.

During the year ended 31 December 2025, the total property management service fee payable by the CGH Group to the Group was approximately RMB232.64 million (of which approximately RMB95.13 million was recognized as revenue by the Company in accordance with the policy set out in note 6(c) to the consolidated financial statements), which did not exceed the cap of RMB410 million.

3. **Value-added Services to Non-Property Owners**

On 29 December 2023, the Company entered into a non-property owner value-added services framework agreement (the "**Non-property Owner Value-added Services Framework Agreement**") with CGH. In accordance with its principal terms, members of the Group may from time to time enter into individual agreements with members of the CGH Group to provide the CGH Group with the following services (the "**Value-added Services to Non-Property Owners**") for a term of three years commencing on 1 January 2024 until 31 December 2026:

- (a) Consultancy services including (i) advice and assistance on the setting up and operation of the on-site sales offices of the CGH Group, such as decoration of the venue, physical set-up of booths and exhibitions, greenery, cleaning and maintenance of water and electricity supplies of the sales offices; (ii) provision of guidance and training to the staff of the CGH Group on the operations of the on-site sales offices, including the manners for general reception of guests, the provision of light refreshments, maintenance of a decent and proper interior of the sales offices for guests, management of show flats, property handover, handover inspection; (iii) cleaning services for the properties developed by the CGH Group before delivery to property owners; (iv) asset operations management services; and (v) engineering services, including but not limited to inspection service to developer and individual owner, and housing maintenance service;
- (b) Sales and leasing agency services including marketing planning programs for the leasing and sales for the houses or parking spaces of the CGH Group, leasing, sales, agency services for property ownership certificates, monitoring and management of the leasing and sales back office;
- (c) Advertising services (which comprise installation, maintenance and dismantling services) in relation to advertisements to be displayed at certain advertising spaces located in the common areas of the property projects managed by the Group;
- (d) Elevators Installation Services including elevator products installation and supporting services; and
- (e) Other services including technology services, after-sales maintenance and warranty services for houses and buildings, disinfection and pest control services, home decoration agency services and other services.

The annual caps (excluding tax) of the transactions contemplated under the Non-property Owner Value-added Services Framework Agreement for the three years ending 31 December 2026 are RMB340 million, RMB250 million and RMB220 million, respectively.

The Group is a leading service provider in comprehensive property management in the PRC with diversified business focuses. The Group has been providing similar services contemplated under the Non-property Owner Value-added Services Framework Agreement to the CGH Group. The payment terms of the Non-property Owner Value-added Services Framework Agreement are also conducive to the Group's control over the scale of its receivables and management of financial resources. The Group will also strictly control the business scale and strengthen recovery of payments in accordance with the principle of prudence.

For details of the Non-property Owner Value-added Services Framework Agreement, please refer to the announcement of the Company dated 29 December 2023.

During the year ended 31 December 2025, the total non-property owner value-added services fee payable by the CGH Group to the Group was approximately RMB233.19 million (of which approximately RMB223.34 million was recognized as revenue by the Company in accordance with the policy set out in note 6(c) to the consolidated financial statements), which did not exceed the cap of RMB250 million.

4. Hotel, Engineering and Transportation Services Framework Agreement

On 29 December 2023, the Company entered into a hotel, engineering and transportation services framework agreement (the "**Hotel, Engineering and Transportation Services Framework Agreement**") with CGH. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group for the provision of hotel services, engineering and transportation services by the CGH Group in accordance with the principal terms of the Hotel, Engineering and Transportation Services Framework Agreement. Under these agreements, the services provided by the CGH Group to the Group include hotel accommodation, maintenance on the public facilities (including engineering services such as upgrading and routine maintenance of facilities and equipment, repair and renovation of civil engineering works), shuttle-bus transportation services and other services (the "**Hotel, Engineering and Transportation Services**"), for a term of three years commencing on 1 January 2024 until 31 December 2026.

The annual caps (excluding tax) for fees paid by the Group to the CGH Group under the Hotel, Engineering and Transportation Services Framework Agreement for each of the three years ending 31 December 2026 are RMB45 million, RMB45 million and RMB45 million, respectively.

The Company was of the view that the entering into of the Hotel, Engineering and Transportation Services Framework Agreement would help raise the Group's service quality and enhance the brand of the Group, and is in conformity with the Group's strategic development needs.

During the year ended 31 December 2025, the total amount for the hotel, engineering and transportation services paid by the Group to the CGH Group was approximately RMB44.56 million, which did not exceed the cap of RMB45 million.



Report of the Directors

REVIEW AND APPROVAL OF CONTINUING CONNECTED TRANSACTIONS BY INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the continuing connected transactions of the Group and confirmed that the continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better or, if there were insufficient comparable transactions to judge whether they were on normal commercial terms or better, on terms no less favourable to the Group than terms available to or from independent third parties; and
- (3) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

REVIEW AND APPROVAL OF CONTINUING CONNECTED TRANSACTIONS BY AUDITOR

Pursuant to Rule 14A.56 of the Listing Rules, the Company's external auditor, Deloitte, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". The auditor has issued an unqualified letter to the Board containing its findings and conclusions in respect of the disclosed continuing connected transactions as follows:

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

OTHERS

The continuing connected transactions disclosed above constitute related party transactions under the Hong Kong Financial Reporting Standards. A summary of significant related party transactions conducted during the year ended 31 December 2025 is disclosed in note 40 "Related party transactions" to the financial statements. These related party transactions include the continuing connected transactions as defined under Chapter 14A of the Listing Rules, and relevant disclosures as required by the Listing Rules are set out in this section. The disclosed amounts of these related party transactions contain certain incomes/expenses which are exempt from the announcement and reporting requirements as they are less than the minimum as required by Rule 14A.76(1) of the Listing Rules.

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

DISCLOSURES PURSUANT TO RULE 14.36B OF THE LISTING RULES

1. Discloseable transaction in relation to acquisition of 100% equity interest in City-Media

On 30 July 2020, CG Life Services entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) with the original shareholders (the “**Original City-Media Shareholders**”, as defined in the announcement of the Company dated 30 July 2020) of City-Media, Zhoushan Maofenghe Equity Investment Partnership (Limited Partnership) (“**Zhoushan Maofeng**”) (as the “**First Vendor**”), Zhoushan Bairuitong Equity Investment Partnership (Limited Partnership) and City-Media, pursuant to which CG Life Services acquired a total of 100% equity interest in City-Media. For details of the acquisition, please refer to the announcement of the Company dated 30 July 2020 (the “**City-Media Announcement**”).

Acquisition of the First Phase Target Shares

CG Life Services agreed to acquire 65% equity interests of City-Media held by the First Vendor (the “**First Phase Target Shares**”). The Original City-Media Shareholders and Zhoushan Maofeng undertook that, during the years of 2020, 2021 and 2022 (the “**Valuation Adjustment Period**”), the accumulated audited principal business income (the “**Principal Business Income**”) and the accumulated audited net profit which is attributable to the shareholders of City-Media after deducting the non-recurring profit or loss (the “**Net Profit After NRI**”) of City-Media shall meet the minimum performance targets for the relevant years as follows:

Year of performance	Principal Business Income		Net Profit After NRI	
	The guaranteed minimum amount of the Principal Business Income for the year (RMB million)	The guaranteed minimum amount of the accumulated Principal Business Income for the year(s) during the Valuation Adjustment Period (RMB million)	The guaranteed minimum amount of the Net Profit After NRI for the year (RMB million)	The guaranteed minimum amount of the accumulated Net Profit After NRI for the year(s) during the Valuation Adjustment Period (RMB million)
2020	375.85	375.85	75.01	75.01
2021	468.46	844.31	110.45	185.46
2022	473.46	1,317.77	114.08	299.54

For the fulfilment of the relevant performance guarantee for 2020 and 2021 by City-Media, please refer to the Company’s annual reports for 2020 and 2021. The Group has made payments for the fourth and fifth installments of the consideration to the First Vendor under the relevant agreement.

In the event of fulfilment of the aforementioned performance guarantee by City-Media for 2022, CG Life Services should pay the sixth instalment of the consideration of RMB76.79 million to the First Vendor within 10 working days after the date of confirmation of its audited results or after the date on which the collection rate of the accumulated Principal Business Income (tax inclusive) of City-Media during the Valuation Adjustment Period is not less than 85% (including monetary fund collection and receipt of bank acceptance draft) (whichever is later).

Acquisition of the Second Phase Target Shares

Depending on the fulfillment of the aforementioned performance guarantee, CG Life Services may acquire the remaining 35% of the Target Shares (the “**Second Phase Target Shares**”) from Zhoushan Bairuitong Equity Investment Partnership (Limited Partnership) (the “**Second Vendor**”), such that City-Media will become a wholly-owned subsidiary of CG Life Services. The specific arrangements are any of the following circumstances: (i) in which CG Life Services has the obligation to acquire the Second Phase Target Shares; and (ii) in which CG Life Services has no obligation but has the right to acquire the Second Phase Target Shares.

Report of the Directors

Performance compensation

Following the conclusion of the Valuation Adjustment Period, if the accumulated Principal Business Income of City-Media during the Valuation Adjustment Period is less than RMB1,317.77 million, or the accumulated Net Profit After NRI is less than RMB299.54 million, then the First Vendor shall compensate CG Life Services, and the calculation of the corresponding compensation amount (the “**Performance Compensation Amount**”) is as follows:

$$(A) \frac{(\text{RMB}1,317.77 \text{ million} - I)}{\text{RMB}1,317.77 \text{ million}} \times \text{RMB}511.94 \text{ million; or}$$

$$(B) \frac{(\text{RMB}299.54 \text{ million} - P)}{\text{RMB}299.54 \text{ million}} \times \text{RMB}511.94 \text{ million,}$$

I = The accumulated actual Principal Business Income during the Valuation Adjustment Period

P = The accumulated actual Net Profit After NRI during the Valuation Adjustment Period

whichever is higher, but not more than RMB511.94 million.

If the amount of the fourth and/or the fifth and/or the sixth instalments of the consideration for the First Phase Target Shares which CG Life Services has not yet paid (the “**Unpaid Consideration**”) is:

- (1) larger or equal to the Performance Compensation Amount, then CG Life Services shall pay to the First Vendor the balance of the Unpaid Consideration after deducting the Performance Compensation Amount; or
- (2) less than the Performance Compensation Amount, then the First Vendor shall pay cash to CG Life Services to make up for the difference between the Performance Compensation Amount and the Unpaid Consideration.

Deemed Fulfilment of Performance Guarantee

Except where the general manager appointed by the Second Vendor voluntarily resigns or offers to cease to serve as the general manager, in the event that CG Life Services deprives the general manager appointed by the Second Vendor of daily operation and management rights or remove such general manager which results in the Second Vendor unable to assign a general manager, then the aforementioned performance guarantee shall be deemed to be fulfilled in full (“**Deemed Fulfilment of Performance Guarantee**”), unless it is due to the discovery by CG Life Services that the person appointed by the Second Vendor violates the standard of conduct for directors, supervisors and senior management.

In a certain year, in the event of Deemed Fulfilment of Performance Guarantee of such year and/or subsequent years, CG Life Services shall, within 10 working days after the occurrence of such a situation, pay the consideration of the First Phase Target Shares for the corresponding instalments for such year and/or subsequent years.

As at the date of this report, the vendors and the management of the Company still have disputes on, among other things, matters such as recognition of certain revenue and whether certain account receivables should be separately tested for impairment for the purpose of making provision for bad debts of City-Media under the terms of the Equity Transfer Agreement. Consequently, the third-party auditor appointed by the Group has not yet issued the audit report for City-Media for 2022, and the parties have not reached a consensus on whether City-Media has fulfilled the aforementioned performance guarantee for 2022. To actively safeguard the interests of the Company and its shareholders, the Company is currently resolving the disputes through legal proceedings. Therefore, the Company has not yet paid the sixth installment of the consideration (as mentioned in the City-Media Announcement) and the acquisition of the Second Phase Target Shares has also not yet proceeded, and the First Vendor has not yet paid the Performance Compensation Amount. The Company will make disclosure as appropriate in compliance with the requirement of relevant provisions of the Listing Rules (including Rule 14.36B) after confirming the fulfillment of the performance guarantee, or after completion of the acquisition of the Second Phase Target Shares (if applicable).

2. Discloseable transaction in relation to acquisition of 70% equity interest in Manguo

On 14 October 2020, CG Property Services HK and CG Life Services (as the purchasers) entered into an equity transfer agreement with the vendors (being BLP Capital Limited, Huzhou Yuxin Enterprise Management Partnership (Limited Partnership), Huzhou Ruilong Enterprise Management Partnership (Limited Partnership) and Huzhou Changxin Information Technology Partnership (Limited Partnership) (formerly known as Huzhou Yixin Enterprise Management Partnership (Limited Partnership) and subsequently known as Taizhou Yixin Enterprise Management Partnership (Limited Partnership)), Fan Manguo (“**Mr. Fan**”) and Manguo (formerly known as Shandong Manguo Kangjie Environmental Sanitation Group Co., Ltd.), in relation to the acquisition of 70% equity interest in Manguo (the “**Manguo Target Shares**”). For details of the acquisition, please refer to the announcement of the Company dated 14 October 2020.

Valuation Adjustment Amount

The vendors and Mr. Fan undertook that, during the years of 2021, 2022 and 2023 (the “**Valuation Adjustment Period**”), the accumulated Operating Revenue and the accumulated Net Profit After NRI of Manguo shall meet the minimum performance requirements for the relevant year(s) as follows:

Year of performance	Operating Revenue		Net Profit After NRI	
	The guaranteed minimum amount of the Operating Revenue for the year	The guaranteed minimum amount of the accumulated Operating Revenue for the year(s) during the Valuation Adjustment Period	The guaranteed minimum amount of the Net Profit After NRI for the year	The guaranteed minimum amount of the accumulated Net Profit After NRI for the year(s) during the Valuation Adjustment Period
2021	1.22X	1.22X	1.20Y	1.20Y
2022	1.49X	2.71X	1.44Y	2.64Y
2023	1.82X	4.53X	1.73Y	4.37Y

In the paragraph headed “– Valuation Adjustment Amount” in the table above and below:

- (1) X represents the Operating Revenue of Manguo in 2020, which shall not exceed RMB2,400.00 million.
- (2) Y represents the Net Profit After NRI of Manguo in 2020, which shall not exceed RMB220.00 million.

During the Valuation Adjustment Period, if the guaranteed minimum amount of any year listed in the above table is not fulfilled during that year, the vendors and Mr. Fan are not required to pay the valuation adjustment amount to the purchasers. However, following the conclusion of the Valuation Adjustment Period, if the aforementioned performance guarantee is not fulfilled (i.e. the accumulated Operating Revenue of Manguo is less than 4.53X or its accumulated Net Profit After NRI is less than 4.37Y), the vendors and Mr. Fan shall jointly and severally pay the purchasers the valuation adjustment amount within 10 working days following the conclusion of the Valuation Adjustment Period.



Report of the Directors

As at the date of this report, due to (i) the ongoing military conflicts between Pakistan and India have adversely affected the progress of the audit of overseas businesses of Manguo Kangjie; and (ii) during the audit and review processes conducted by the auditors and the Group's internal risk control audit team, there remains disputes between the vendors and management of the Company regarding the recognition of revenue from non-government contracts and revenue from certain overseas contracts. In an attempt to resolve the disputes, the Company is actively negotiating with the vendors and exploring engagement of an independent third party under compliance approach to conduct a specific audit for confirmation of the disputed revenue. As such, the audit of the aforementioned performance guarantee for Manguo for the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021 has not yet been completed.

The Company will closely monitor the aforementioned performance guarantee and make disclosure as appropriate after obtaining the relevant audit opinions in compliance with the requirement of Rule 14.36B of the Listing Rules.

3. Acquisition of Entire Equity Interest in Wealth Best Global

On 20 September 2021, CG Property Services HK entered into an equity transfer agreement with R&F Property Services Group Company Limited ("**R&F Property**") to acquire 100% equity interest in Wealth Best Global Limited ("**Wealth Best Global**") at a consideration of no more than RMB10 billion. For details, please refer to the announcements of the Company dated 20 September 2021 and 12 October 2021.

Phase 1 – Third Instalment of Consideration

R&F Property has undertaken that the audited net profit after NRI and accounting revenue of Wealth Best Global for 2021 shall not be less than RMB500 million and RMB4.2 billion, respectively, and its areas under management and total contracted areas as at 31 December 2021 shall not be less than 86 million sq. m. and 127 million sq. m., respectively.

Consideration Adjustment

If the financial data of Wealth Best Global in 2021 fails to meet any financial indicator specified in the aforementioned performance guarantee, the phase 1 consideration shall be reduced in accordance with the following formulas:

- (1) If the audited net profit after NRI for 2021 is less than RMB500 million, the phase 1 consideration shall be reduced pro-rata to the difference between RMB500 million and the actual audited net profit after NRI.
- (2) If the accounting revenue for 2021 is less than RMB4.2 billion, the phase 1 consideration shall be reduced pro-rata to the difference between RMB4.2 billion and the actual accounting revenue for 2021.
- (3) If the total areas under management as at 31 December 2021 is less than 86 million sq. m., the phase 1 consideration shall be reduced pro-rata to the difference between 86 million sq. m. and the actual total areas under management as at 31 December 2021.
- (4) If the total contracted areas as at 31 December 2021 are less than 127 million sq. m., the phase 1 consideration shall be reduced pro-rata to the difference between 127 million sq. m. and the actual total contracted areas as at 31 December 2021.

If Wealth Best Global fails to meet more than one financial indicator agreed in the aforementioned performance guarantee, the reduction amount shall be the highest of those calculated in accordance with the formulas above. The reduction amount (if any) shall be deducted by CG Property Services HK from the phase 2 consideration.

As disputes persist among the parties regarding the provision ratio for bad debts, the audit work related to the aforementioned performance guarantee of Wealth Best Global for the year ended 31 December 2021 has not yet been completed. Therefore, it is not yet known whether the financial data of Wealth Best Global in 2021 has met any financial indicators specified in the aforementioned performance guarantee, and it has not been confirmed whether the phase 1 consideration needs to be correspondingly reduced.

The Company will continue to closely monitor the above situation and, upon obtaining the relevant audit opinions, make disclosure as appropriate in accordance with the requirements of Rule 14.36B of the Listing Rules.

Phase 2 – Fourth Instalment of Consideration (the “Fourth Instalment of Consideration”)

In addition to the areas under management of 86 million sq. m. agreed to be delivered under the performance guarantee for 2021, R&F Property and the R&F Property Related Parties (as defined in the Company’s announcement dated 20 September 2021) shall deliver areas under management (the **“Delivered GFA under Management”**) of 66 million sq. m. to Wealth Best Global or other entities designated by CG Property Services HK for a total consideration of RMB3 billion. The Fourth Instalment of Consideration shall be payable in instalments after CG Property Services HK has paid the third instalment of consideration. The parties shall conduct inventory taking on a monthly basis to determine the part of the Fourth Instalment of Consideration payable in the month according to the monthly inventory taking results.

$$\text{Consideration payable for each month} = \frac{\text{Areas delivered in the month}}{66 \text{ million sq. m.}} \times \text{RMB3 billion}$$

The contracted unit price of the areas under management transferred to CG Property Services HK shall meet the following requirements:

- (1) for residential properties, it shall be not lower than the average local market unit price for the properties within the same business type category and in the same area in principle; and
- (2) for commercial properties, if the R&F Property Related Parties own local projects within the same business type category in the same area, it shall be determined with reference to the average market unit price for the projects of the R&F Property Related Parties. If there is no local project owned by the R&F Property Related Parties within the same business category, it shall be not lower than the average market unit price for the projects within the same business type category in the same area.

The part of the Fourth Instalment of Consideration payable by CG Property Services HK for a month shall be utilized first to offset the Balance with Related Parties (as defined below) as stated in the section headed **“Handling of balance with related parties”** below.

Handling of balance with related parties

The amount due to the Wealth Best Global Group by R&F Property and the R&F Property Related Parties (the **“Balance with Related Parties”**) not exceeding RMB610 million shall be offsetted with the Fourth Instalment of Consideration until the consideration in excess of the limited of the Balance with Related Parties is paid after being fully settled through offsetting.



Report of the Directors

If the aforesaid amount of RMB610 million due to the Wealth Best Global Group by R&F Property and the R&F Property Related Parties has not been fully settled through offsetting as at 30 June 2024, R&F Property shall make up for the shortfall within 20 statutory working days in the PRC following the determination of the amount outstanding. For the excess of the amount due to the Wealth Best Global Group by R&F Property and the R&F Property Related Parties over such RMB610 million, CG Property Services HK has the right to either offset such amount with each instalment of the consideration or request R&F Property and the R&F Property Related Parties to pay such amount.

As at the date of this report, the parties are in the process of verifying and confirming the delivered areas. However, due to the disputes among the parties regarding matters related to the completion inspection conditions for the relevant residential or commercial projects (for example, some units have been delivered to owners without having completed the completion inspection procedures, and the parties are discussing whether such units should be counted in the delivered areas), the parties have not yet confirmed the amount of the Fourth Instalment of Consideration calculated based on the Delivered GFA under Management as of 30 June 2024 that can be offset against Balance with Related Parties.

Furthermore, the parties were still in dispute over the impairment of the trade receivables owed by R&F Property and the R&F Property Related Parties to the Wealth Best Global Group, CG Property Services HK and R&F Property have not yet reached a consensus on relevant matters and conclusions of the aforementioned performance guarantee. As such, the audit of the aforementioned performance guarantee for Wealth Best Global for the year ended 31 December 2021 has not yet been completed.

Currently, despite the aforesaid unconfirmed matters, the parties are actively liaising and negotiating solutions. These include, but not limited to, (i) continuing to implement measures of debt-for-equity to reduce the amount of Balance with Related Parties; (ii) discussing the solutions for the recovery of Balance with Related Parties; (iii) negotiating the terms of possible supplemental agreement to the equity transfer agreement to resolve existing disputes; and (iv) negotiating other subsequent business cooperation arrangements. Meanwhile, the Company will also continue to closely monitor the audit of the aforementioned performance guarantee and make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules after obtaining the relevant audit opinions.

4. Acquisition of Shares of Everjoy Services Company Limited

On 11 February 2022, CG Property Services HK entered into a binding equity purchase agreement (the “**Original Majority Equity Purchase Agreement**”) with Chuangchen International Co., Ltd. (創辰國際有限公司), Chuangzhuo International Co., Ltd. (創卓國際有限公司), Chuangyuan International Co., Ltd. (創沅國際有限公司), Tycoon Ample Limited (亨盛有限公司) and Mr. Yang Jian (楊劍) (collectively, the “**Majority Vendors**”), and entered into a binding equity purchase agreement (the “**Original Minority Equity Purchase Agreement**”) (together with the Original Majority Equity Purchase Agreement, the “**Agreements**”) with Chuangzhi International Co., Ltd. (創志國際有限公司), Chuangtong International Co., Ltd. (創同國際有限公司), Mr. Li Jiacheng (李家城) and Mr. Ma Fei (馬飛) (collectively, the “**Minority Vendors**”) (together with the Majority Vendors, the “**Vendors**”), pursuant to which CG Property Services HK agreed to acquire a total of approximately 93.76% equity interest in Everjoy Services Company Limited. (“**Everjoy Services**”) at a total consideration of no more than approximately RMB3,129 million in cash (the “**Acquisition**”). The terms of the Agreements were determined after arm’s length negotiations between the parties.

On 29 March 2022, the Company, CG Property Services HK and the relevant Vendors entered into the Majority First Supplemental Agreement and the Minority First Supplemental Agreement, respectively, to amend the arrangements for payment of the consideration under the Original Majority Equity Purchase Agreement and the Original Minority Equity Purchase Agreement (including the change of payment method for part of the consideration to payment through issuing consideration shares), the performance guarantees and the contractual arrangements for relevant matters. Pursuant to the amended Agreements, the maximum number of the consideration shares to be issued is 45,983,980 Shares.

On 29 March 2022, CG Property Services HK entered into the Majority Second Supplemental Agreement and the Minority Second Supplemental Agreement with the relevant Vendors and Shanghai Zhongchengyun City Operation Management Co., Ltd (formerly known as Shanghai Zhongchengyun City Construction Services Co. Ltd., a related party of the Majority Vendors), respectively, to amend the scope of the projects for which Everjoy Services and its subsidiaries has entered into contracts and which have not been taken over yet as at 31 December 2021, including the part of the projects to be delivered in phases for which contracts have been entered into but which are not taken over yet (the “**Projects In Transit**”) and the Injected Projects (as defined under the Agreements and collectively, the “**Projects**”), the rectification of the Projects, the reorganization arrangements of Everjoy Services and its subsidiaries, the handling of related party transactions and accounts and the contractual arrangements for relevant matters under the Original Majority Equity Purchase Agreement, the Original Minority Equity Purchase Agreement, the Majority First Supplemental Agreement and the Minority First Supplemental Agreement.

Please refer to the announcements of the Company dated 14 February 2022, 29 March 2022 and 20 May 2022 for details.

I. Payment Conditions

	Business or asset of the Target Group corresponding to the consideration	Consideration receivable by the Majority Vendors and its payment method (RMB)	Consideration receivable by the Minority Vendors and its payment method (RMB)
Second part of consideration	Non-property owners value-added business under management	No more than 45 million payable in cash in 10 annual installments	None
Third part of consideration	Projects In Transit	No more than 640.80 million payable in cash according to project delivery progress	No more than 79.20 million payable through the consideration shares in equivalent value (the “ Minority PIT Consideration Shares ”) according to project delivery progress
Fifth part of consideration	Injected Projects	No more than approximately 1,571.44 million payable through the consideration shares in equivalent value (the “ Majority Consideration Shares ”) according to project delivery progress	None

Report of the Directors

Second part of consideration

The second part of consideration shall be paid in ten installments corresponding to the ten financial years from 1 January 2022 to 31 December 2031, with each installment of RMB4.5 million.

If both of the revenue and gross profit margin of the non-property owners value-added business under management for the above relevant financial years remain to reach the prescribed benchmarks (being RMB150 million and 15%, respectively), CG Property Services HK shall pay the corresponding installment of consideration to the Majority Vendors after the annual audit is completed. If any indicator for any financial year fails to meet the prescribed benchmarks, CG Property Services HK shall have the right to not pay the corresponding installment of consideration and to deduct it from the total consideration.

As the management of Everjoy Services and the Majority Vendors failed to reach the prescribed benchmarks in respect of the revenue of the non-property owners value-added business under management of Everjoy Services for the year 2024, CG Property Services HK was not required to pay the consideration of RMB4.5 million for the period in respect of the non-property owners value-added business under management for the year 2024.

As the management of Everjoy Services and the Majority Vendors are still verifying the relevant data regarding whether the revenue and gross profit margin of the non-property owners value-added business under management of Everjoy Services for the year 2025 reach the prescribed benchmarks, the payment of RMB4.5 million by CG Property Services HK for the current period has yet to be confirmed. The Company will closely monitor the above situation and make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules.

Third part of consideration

The third part of consideration shall be paid in stages according to the delivery progress of the Projects In Transit.

Following the end of each half-year period since 1 January 2022, the parties shall review the Projects In Transit delivered during such half-year period.

Within 10 working days following completion of each biannual review, CG Property Services HK shall pay the corresponding cash consideration and issue the Minority PIT Consideration Shares in equivalent corresponding value based on the saturated revenue of the Projects In Transit delivered during such period and the agreed formula. As at the date of this report, due to the impact of the downturn in the domestic real estate market, the management of Everjoy Services expects that the timeframe for the Projects In Transit to be delivered to Everjoy Services will be extended from full delivery by 30 June 2024 to full delivery being expected to be completed by 30 June 2026. In addition, CG Property Services HK may deduct outstanding non-property owners value-added services fees payables, various expense resulting from termination of contracts and expenses advanced and losses incurred by Everjoy Services from the third part of consideration and outstanding consideration payable directly.



The following table summarises the Company's payment of the third part of consideration to the Majority Vendors and Minority Vendors, respectively, under the terms of the equity purchase agreements, following the review by relevant parties of the Projects In Transit delivered during relevant half-year periods from 1 January 2022 to 31 December 2025:

Period	Consideration paid to the Majority Vendors	Consideration paid to the Minority Vendors
From January 2022 to December 2022	Approximately RMB65.69 million paid in cash	<p>Some of the Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB4.8054 million</p> <p>Due to existing litigation disputes or overdue payments in respect of the payment of the third part of consideration between the Company and the remaining Minority Vendors, the Company has, after reaching a settlement to conclusion of the litigation between the Company and the Minority Vendors, paid approximately RMB4.4760 million in cash (inclusive of the consideration of the Projects In Transit delivered, legal fees, litigation costs and liquidated damages incurred in connection with the litigation) to the Minority Vendors in accordance with the terms of the equity purchase agreements</p>
From January 2023 to June 2023	Approximately RMB64.34 million paid in cash	<p>The relevant Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB4.2723 million</p> <p>Due to existing litigation disputes or overdue payments in respect of the payment of the third part of consideration between the Company and the remaining Minority Vendors, the Company has, after reaching a settlement to conclusion of the litigation between the Company and the Minority Vendors, paid approximately RMB3.8893 million in cash (inclusive of the consideration of the Projects In Transit delivered and liquidated damages) to the Minority Vendors in accordance with the terms of the equity purchase agreements, and confirmed that there are no other outstanding payments</p>



Report of the Directors

Period	Consideration paid to the Majority Vendors	Consideration paid to the Minority Vendors
From July 2023 to December 2023	Approximately RMB61.4593 million paid in cash	<p>The relevant Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB4.0812 million</p> <p>Due to existing litigation disputes or overdue payments in respect of the payment of the third part of consideration between the Company and the remaining Minority Vendors, the Company has, after reaching a settlement to conclusion of the litigation between the Company and the Minority Vendors, paid approximately RMB7.2264 million in cash (inclusive of the consideration of the Projects In Transit delivered and liquidated damages) to the Minority Vendors in accordance with the terms of the equity purchase agreements</p>
From January 2024 to June 2024	Approximately RMB18.7761 million paid in cash	<p>The relevant Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB1.7570 million</p> <p>Due to existing litigation disputes or overdue payments in respect of the payment of the third part of consideration between the Company and the remaining Minority Vendors, the Company has, after reaching a settlement to conclusion of the litigation between the Company and the Minority Vendors, paid approximately RMB1.6333 million in cash to the Minority Vendors in accordance with the terms of the equity purchase agreements</p>
From July 2024 to December 2024	Approximately RMB32.9934 million paid in cash	<p>Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB1.3933 million</p> <p>Save as disclosed above, the Company is currently discussing with the Minority Vendors regarding the outstanding balance. The specific amount shall be subject to final discussion and payment</p>



Period	Consideration paid to the Majority Vendors	Consideration paid to the Minority Vendors
From January 2025 to June 2025	Cash payment has not been fully made as the Company and the Majority Vendors are confirming the saturated revenue of Projects In Transit delivered and the amounts due from related parties of the Majority Vendors. The Company is discussing with the Majority Vendors regarding the outstanding balance, and the specific amount is subject to final discussion and payment.	Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB89,600 Save as disclosed above, the Company is currently discussing with the Minority Vendors regarding the outstanding balance. The specific amount shall be subject to final discussion and payment
From July 2025 to December 2025	As no Projects In Transit were delivered to Everjoy Services during this period, the Company is not necessary to settle the consideration or pay cash to the Majority Vendors in accordance with the equity purchase agreements	As no Projects In Transit were delivered to Everjoy Services during this period, the Company is not necessary to settle the consideration or issue consideration shares to the Minority Vendors in accordance with the equity purchase agreements

* As disclosed in the announcement of the Company dated 29 March 2022, the issue price of the consideration shares is HK\$46.1725 per share.

The Company will closely monitor the above situation and, after obtaining confirmation from the Vendors, make payments to the Majority Vendors in cash and to the Minority Vendors through issuing consideration shares (or in cash, if applicable) as soon as practicable. The Company will also make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules.

Fifth Part of Consideration

The fifth part of consideration shall be paid in stages according to the progress of delivery of the Injected Projects by the related parties of the Majority Vendors to the target group.

Following the end of each half-year period since 1 January 2022, the parties shall review the Injected Projects delivered during such half-year period.

Within one month following each biannual review, CG Property Services HK shall procure the issue of the Majority Consideration Shares in equivalent corresponding value based on the saturated revenue of the Injected Projects delivered during such period and the agreed formula.

In 2025, no projects have been injected into the target group by the related parties of the Majority Vendors and no Shares of the Company are required to be issued by CG Property Services HK to the Vendors pursuant to the terms of the equity purchase agreements.



Report of the Directors

II. Performance Guarantee

- (1) The Majority Vendors and the Minority Vendors have undertaken to CG Property Services HK that the saturated revenue of the Projects under management for each half-year period from 1 January 2022 until full settlement of the third part of consideration shall not be less than the corresponding amount as at 31 December 2021.
- (2) The Minority Vendors have undertaken to CG Property Services HK that the performance of the target group for the three years from 1 July 2022 to 30 June 2025 shall meet the following targets:

Performance Guarantee Period	Operating Revenue	Net profit after NRI	GFA under management
1 July 2022 to 30 June 2023 (the “ First Performance Guarantee Period ”)	No less than RMB1,200 million	No less than RMB125 million	The GFA under management as at 30 June 2023 shall not be less than the GFA under management as at 31 December 2021
1 July 2023 to 30 June 2024 (the “ Second Performance Guarantee Period ”)	No less than RMB1,320 million	No less than RMB137 million	The GFA under management as at 30 June 2024 shall not be less than the GFA under management as at 30 June 2023
1 July 2024 to 30 June 2025 (the “ Third Performance Guarantee Period ”)	No less than RMB1,452 million	No less than RMB150 million	The GFA under management as at 30 June 2025 shall not be less than the GFA under management as at 30 June 2024

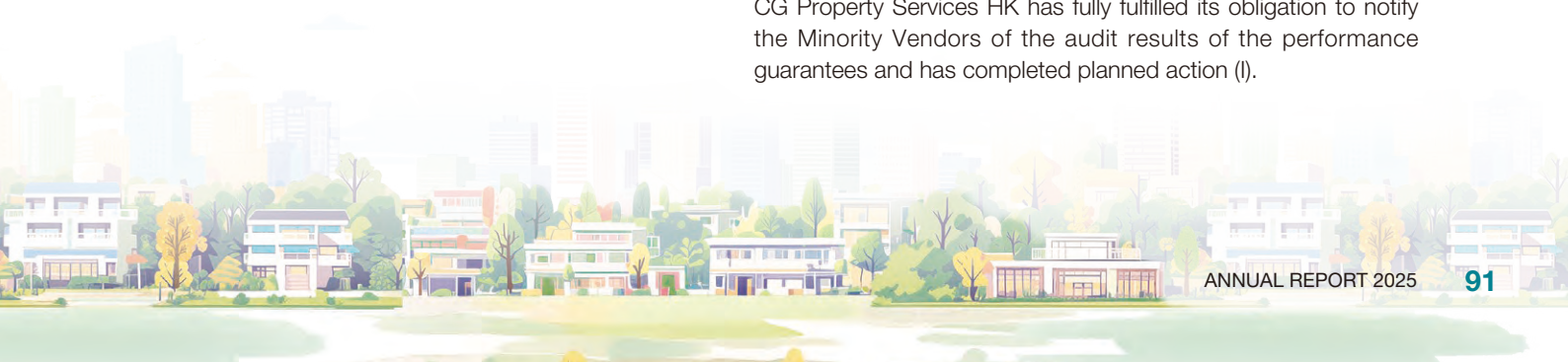
Upon issue, the Minority Consideration Shares (as defined in the announcement of the Company dated 29 March 2022) shall be charged in favor of CG Property Services HK or its designated entity to secure the performance guarantee made by the Minority Vendors. For each performance guarantee period, upon confirmation that the relevant targets have been met, CG Property Services HK shall arrange to release the share charge over one-third of the Minority Consideration Shares. If the target for any performance guarantee period is not met, the share charge over corresponding portion of the Minority Consideration Shares shall not be released, and such performance guarantee period and subsequent performance guarantee periods (including the corresponding timetable for release of share charge) shall be extended for one year and so forth until such target is met, except that any Minority Consideration Shares over which the share charge has not been released as at 30 June 2032 shall be forfeited.

If the target group fails to meet performance guarantee (1) and/or the target for GFA under management under performance guarantee (2), the Majority Vendors and/or the Minority Vendors shall make up for a portion of the corresponding shortfall in consideration in cash in accordance with the agreed formula or inject new projects meeting the specified criteria and conditions into the target group to make up for a portion of the corresponding shortfall in saturated revenue. If such cash compensation is not made or such projects for compensation are not injected, CG Property Services HK shall have the right to dispose of the charged Minority Consideration Shares to meet the obligations of the Minority Vendors to make up for the shortfall.

In respect of the performance guarantee (1) above, as stated in the section headed “**Third part of consideration**”, the parties have agreed to extend the full delivery date of the Projects In Transit to 30 June 2026 when all deliveries are expected to be completed. Accordingly, the performance guarantee period in relation to performance guarantee (1) has not yet expired. The Company will closely monitor the above situation and make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules.

In respect of the performance guarantee (2) above, the Group has engaged an auditor to conduct an audit and issue a report on its financial results for the three years from 1 July 2022 to 30 June 2025. However, CG Property Services HK has not yet reached a consensus with the Minority Vendors as to whether the performance guarantees for each of the aforementioned three-year period have been met. In order to reach a consensus with the Minority Vendors as soon as possible, the Group formulated certain action plans in 2025. The following table summarizes the fulfillment status of the relevant planned actions:

Planned action	Fulfillment status in 2025
<p>Planned action (I) Reissue letters to Minority Vendors</p>	<p>Following the issuance of the audit reports for the First and Second Performance Guarantee Period, CG Property Services HK issued letters to the Minority Vendors, indicating that the performance guarantees for these two periods were not met. However, such conclusions were not fully confirmed by them, nor did they raise any objections. Accordingly, CG Property Services HK planned to reissue letters to the Minority Vendors, and to attach the audit conclusions for the three-year period, after the audit report for the Third Performance Guarantee Period was issued.</p> <p>Following the issuance of the audit report for the Third Performance Guarantee Period, on 26 September 2025, CG Property Services HK dispatched notification letters to the Minority Vendors in relation to the audit results (which indicated that the performance guarantees were not met) issued by a third-party accounting firm engaged to audit the operating revenue and the net profit after NRI for the performance guarantee period from 1 July 2022 to 30 June 2025 under performance guarantee (2). The letters explicitly informed the Minority Vendors that if they have any objections to the audit results, they could respond in writing with an explanation. Subsequently, CG Property Services HK and the Minority Vendors could jointly appoint an accounting firm to audit the fulfillment status of the performance guarantees of Everjoy Services. The absence of a written reply raising any objection would be deemed as acceptance of the audit results for the performance guarantees as set out in the letters by CG Property Services HK.</p> <p>CG Property Services HK has fully fulfilled its obligation to notify the Minority Vendors of the audit results of the performance guarantees and has completed planned action (I).</p>



Planned action	Fulfillment status in 2025
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Planned action (II)

To endeavor, when confirming matters relating to the payment of the third part of consideration with certain Minority Vendors, to require them to also confirm matters relating to the performance guarantees

In processing the third part of consideration, CG Services typically follows the steps below before making the payment:

- (1) Calculate the consideration payable to the Majority Vendors and the Minority Vendors respectively based on the area of Projects In Transit delivered by the Majority Vendors; and
- (2) Arrange for the Majority Vendors to sign a confirmation letter to confirm the amount payable for the third part of consideration. In accordance with past practice, Chuangzhi and Chuangtong (both as defined on page 19 of the announcement of CG Services dated 29 March 2022), which together hold 53.73% of the equity interests held by the Minority Vendors, will also sign the confirmation letter to confirm the third part of consideration payable by CG Services to them.

When CG Services calculates and pays the third part of consideration to the above-mentioned vendors based on the delivered Projects In Transit, and proceeds with step (2) above, CG Services planned to add contents relating to performance guarantees in the confirmation letter to be signed by Chuangzhi and Chuangtong, requiring them to confirm the audit results for all performance guarantee periods and to confirm that the relevant performance indicators were not achieved.

However, during the communication process, the Majority Vendors, Chuangzhi and Chuangtong explicitly refused.

CG Property Services HK will continue to seek appropriate opportunities to communicate with Chuangzhi and Chuangtong, requesting them to confirm matters relating to the performance guarantees as soon as possible.

Planned action (III)

To endeavor, during the next reconciliation of or settlement regarding the third part of consideration with certain Minority Vendors, to also have them confirm matters related to the performance guarantees

Currently, as the Minority Vendors have not filed any litigation, this planned action (III) has not been implemented.

Planned action (IV)

Continue to maintain the charge of Minority Consideration Shares

To fully safeguard the interests of the Shareholders, the Group has implemented this planned action (IV). Minority Consideration Shares will continue to be charged in favor of CG Property Services HK. However, any such Minority Consideration Shares that have not been released as at 30 June 2032 will be forfeited.



Furthermore, to continue advancing the aforementioned uncompleted planned actions and to actively facilitate communication with the Minority Vendors, so as to reach a consensus on matters related to performance guarantees as soon as possible, the planned actions of the Group for 2026 are as follows:

Planned action	Details
<p>Planned action (I) Continue to seek appropriate opportunities to communicate and confirm with the Minority Vendors regarding matters related to performance guarantees</p>	<p>CG Property Services HK will continue to seek appropriate opportunities to communicate and confirm with the Minority Vendors (including Chuangzhi and Chuangtong) regarding matters related to performance guarantees, so as to reach a consensus as soon as possible.</p>
<p>Planned action (II) To endeavor, during the next reconciliation of or settlement regarding the third part of consideration with certain Minority Vendors, to also have them confirm matters related to the performance guarantees</p>	<p>The Group expects that CG Services will continue to settle the Projects In Transit pending future delivery with the Minority Vendors. Both parties may also initiate legal proceedings against each other regarding the payment of the third part of consideration by CG Services.</p> <p>At that time, CG Services will require the Minority Vendors to confirm, as soon as possible, the audit results for the First, Second and Third Performance Guarantee Period, and to incorporate “confirming the unfulfillment of the relevant performance indicators” into the scope of settlement.</p>
<p>Planned action (III) Continue to maintain the charge of Minority Consideration Shares</p>	<p>Minority Consideration Shares will continue to be charged in favor of CG Property Services HK. However, any such Minority Consideration Shares that have not been released as at 30 June 2032 will be forfeited.</p>

The Company will closely monitor the aforementioned situation and will make disclosures in a timely manner as required under Rule 14.36B of the Listing Rules.



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

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company in the Shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), which were required to be entered in the register 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, were as follows:

Long positions in the Shares and underlying shares of the Company

Name of Directors	Capacity	Number of Shares held	Number of interests in underlying shares held under equity derivatives	Total	% of total Shares in issue as at 31 December 2025	Number of debentures held
Ms. Yang Huiyan	Interest of controlled corporation and other interests	1,218,336,100 ⁽¹⁾	—	1,218,336,100	36.44%	—
Mr. Xu Binhuai	Beneficial owner	1,240,667 ⁽²⁾	12,000,000 ⁽⁴⁾	13,240,667	0.40%	—
Mr. Xiao Hua	Beneficial owner	755,795 ⁽³⁾	5,000,000 ⁽⁴⁾	5,755,795	0.17%	—

Notes:

As at 31 December 2025, the total number of Shares in issue of the Company was 3,343,638,516 Shares.

- As at 31 December 2025, Concrete Win Limited (“Concrete Win” or the “Donor”) and Fortune Warrior Global Limited (“Fortune Warrior”) held 418,332,094 Shares and 125,363,139 Shares, respectively. Concrete Win and Fortune Warrior are beneficially wholly-owned by Ms. Yang Huiyan. By virtue of the SFO, Ms. Yang Huiyan is deemed to be interested in the same number of Shares in which Concrete Win and Fortune Warrior were interested in. On 8 May 2025, the Company (as the chargee) entered into the deed of share charge with Concrete Win and Fortune Warrior (as the chargors) in respect of the secured assets, including a total of 543,695,233 Shares of the Company beneficially held by Concrete Win and Fortune Warrior, to secure the repayment and settlement of the principal and interest of the loan and the secured debts in an aggregate principal amount of RMB1,000,000,000 (or HKD equivalent) provided by the Company to Concrete Win and Fortune Warrior. On 29 July 2023, Ms. Yang Huiyan and Concrete Win entered into a deed of gift with Guoqiang Public Welfare Foundation (Hong Kong) Limited (“Guoqiang Public Welfare Foundation (Hong Kong)”) (the “Deed of Gift”). Pursuant to the Deed of Gift, the Donor donated 674,640,867 Shares (the “Donation Shares”) to Guoqiang Public Welfare Foundation (Hong Kong) for charitable purposes, and appointed Ms. Yang Huiyan and the Donor or their designated person(s) as proxies to exercise the voting rights in respect of the Donation Shares on behalf of Guoqiang Public Welfare Foundation (Hong Kong) at the discretion of Ms. Yang Huiyan and the Donor. Ms. Yang Huiyan continued to directly and indirectly control the voting rights in respect of 1,218,336,100 Shares, which include the voting rights in respect of the Donation Shares.
- These Shares represent 240,000 Shares held by Mr. Xu Binhuai which were purchased in the secondary market and 1,000,667 Shares issued to Mr. Xu Binhuai upon his exercise of the options granted to him under a pre-listing share option scheme adopted by the then shareholders of the Company on 13 March 2018, which was subsequently amended by a resolution passed at the extraordinary general meeting held on 7 November 2019 (“Pre-Listing Share Option Scheme”).
- These Shares represent 37 Shares distributed to Mr. Xiao Hua by virtue of the shares of CGH held by him prior to the spin-off of the Company from CGH and separate listing on the Main Board of the Stock Exchange, 5,558 Shares received by Mr. Xiao Hua as the distributed final dividend of CG Services for 2020 and 750,200 Shares issued to Mr. Xiao Hua upon his exercise of the options granted to him under the Pre-Listing Share Option Scheme.
- The relevant interests are unlisted physically settled options granted pursuant to the 2024 Share Option Scheme. Upon exercise of the share options in accordance with the 2024 Share Option Scheme, the corresponding number of ordinary Shares will be issued at HK\$5.01 per Share. The share options are personal to the respective Directors.

Long positions in the shares of an associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interest	Number of Shares held	Approximate % of total issued shares of the associated corporation as at 31 December 2025 ⁽¹⁾
Ms. Yang Huiyan	Justbon Services	Interest of controlled corporation	177,584,598	99.71%

Note:

- (1) The resolution for approving the delisting of H shares of Justbon Services from the Stock Exchange was passed at the general meeting and H share class meeting of Justbon Services held on 17 June 2021, and the delisting acceptance condition was satisfied on 15 July 2021. The listing of H shares of Justbon Services on the Stock Exchange was voluntarily withdrawn at 4:00 p.m. on 19 August 2021. Following the delisting, the shares of Justbon Services, as a PRC issuer, are no longer divided into H shares and domestic shares and are all ordinary shares with nominal value of RMB1 each. The percentage is calculated based on the total shares of Justbon Services of 178,102,160 shares as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executives of the Company (including their spouses and children under the age of 18) had any interest in, or had been granted any right to subscribe for the Shares and options of the Company and its associated corporations (within the meaning of the SFO), or had exercised any such rights.



Report of the Directors

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 2025, as set out in the register kept under Section 336 of the SFO, the following companies and persons (other than the Directors and chief executives of the Company) had interests or short positions in the Shares and underlying shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Capacity	Number of Shares held or interested in	Approximate % of total Shares in issue
Concrete Win ⁽¹⁾	Beneficial owner	1,092,972,961 (L)	32.69%
Country Garden Services Holdings Company Limited ⁽¹⁾	Security interest	543,695,233 (L)	16.26%
Mr. Chen Chong ⁽²⁾	Interest of spouse	543,695,233 (L)	16.26%
	Interest of controlled corporation	674,640,867 (L)	20.18%
Guoqiang Public Welfare Foundation (Hong Kong) ⁽³⁾	Beneficial owner	674,640,867 (L)	20.18%
Shanghai Wealspring Asset Management Co., Ltd.* (上海寧泉資產管理有限公司)	Investment manager	167,694,000 (L)	5.02%

Notes:

L – long position

S – short position

As at December 31 2025, the total number of Shares in issue of the Company was 3,343,638,516 Shares.

- (1) On 8 May 2025, the Company (as the chargee) entered into the deed of share charge with Concrete Win and Fortune Warrior (as the chargors) in respect of the secured assets, including 418,332,094 Shares and 125,363,139 Shares beneficially held by Concrete Win and Fortune Warrior respectively, to secure the repayment and settlement of the principal and interest of the loan and the secured debts in an aggregate principal amount of RMB1,000,000,000 (or HKD equivalent) provided by the Company to Concrete Win and Fortune Warrior.
- (2) By virtue of the SFO, Mr. Chen Chong is deemed to be interested in the Shares held by his spouse, Ms. Yang Huiyan, whose interests are disclosed in the above section headed “**Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations**”. On 26 August 2024, Mr. Chen Chong became the sole member of Guoqiang Public Welfare Foundation (Hong Kong). By virtue of the SFO, Mr. Chen Chong is deemed to be interested in the Shares held by Guoqiang Public Welfare Foundation (Hong Kong).
- (3) On 29 July 2023, Ms. Yang Huiyan and Concrete Win entered into the Deed of Gift with Guoqiang Public Welfare Foundation (Hong Kong). Pursuant to the Deed of Gift, the Donor donated 674,640,867 Shares to Guoqiang Public Welfare Foundation (Hong Kong) for charitable purposes. Ms. Yang Huiyan and Concrete Win continue to control the voting rights of 674,640,867 shares held by Guoqiang Public Welfare Foundation (Hong Kong).

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any other person (other than the Directors or chief executives of the Company) who was recorded in the register of the Company as having an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the 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.

* For identification purpose only

SHARE OPTION SCHEME

On 9 July 2024, the 2024 Share Option Scheme was approved and adopted by the Shareholders and a Board meeting was held on 18 November 2024 to allow the use of treasury Shares for the grant of Shares to enable more flexibility. The 2024 Share Option Scheme is for a term of 10 years from the date of its adoption and will expire on 8 July 2034. A summary of the principal terms of the 2024 Share Option Scheme is set out as follows:

(i) Purpose

- To motivate the eligible participants to work hard for the Group's future development by providing them with an opportunity to acquire the Shares of the Company, thereby promoting long-term stable development of the Group;
- To provide the eligible participants with incentives and/or rewards for their contributions to the Group; and
- To enhance the Group's ability to attract and retain individuals with outstanding skills and extensive experience.

(ii) Eligible participants

Eligible participants for the 2024 Share Option Scheme include the employee participants and the service providers.

(iii) Total number of Shares which may be issued and its percentage of the Shares in issue as at the date of this annual report

- The maximum number of Shares which may be issued pursuant to the 2024 Share Option Scheme will be 334,302,033 Shares, which shall not exceed 10% of the total number of Shares in issue at the date of the adoption of the 2024 Share Option Scheme (excluding treasury Shares).
- The maximum number of Shares which may be issued in respect of all options to be granted under the 2024 Share Option Scheme to the service providers will be 66,860,406 Shares, which shall not exceed 2% of the total number of Shares in issue at the date of the adoption of the 2024 Share Option Scheme (excluding treasury Shares).

As at the date of this report, a total of 333,372,033 Shares, representing approximately 10% of the issued share capital (excluding treasury Shares) of the Company as at the date of this report, were available for issue under the 2024 Share Option Scheme, including those granted but not yet lapsed or exercised options which may subscribe for 218,988,750 Shares.



Report of the Directors

(iv) Maximum entitlement to options of each eligible participant

For any twelve (12)-month period up to and including the grant date, the aggregate number of Shares issued and to be issued in respect of all options and awards granted to such eligible participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) shall not in aggregate exceed 1% of the total number of Shares in issue as at the grant date (excluding treasury Shares). Where the grant of options to such eligible participant (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) would result in the number of Shares issued and to be issued upon exercise of all options granted and to be granted to such eligible participants in the twelve (12)-month period up to and including the grant date representing in aggregate in excess of 1% of the total number of Shares in issue as at the grant date (excluding treasury Shares), such grant of options shall be separately approved by the Shareholders in general meeting with such eligible participant and his close associates (or associates if the eligible participant is a connected person) abstaining from voting.

(v) Exercise period of options

An option may (and may only) be exercised by the grantee at any time or times during the option period subject to any provisions for early termination contained in the 2024 Share Option Scheme. The option period shall not exceed the period of ten (10) years from the grant date and shall be determined by the Board in its absolute discretion to the grantee in the offer letter.

(vi) Vesting period of options

The vest period of options shall be set by the Board at the time of grant, which shall be no less than twelve (12) months from the acceptance date. The options of eligible participants shall not have a shorter vesting period which is less than 12 months, unless a shorter vesting period is approved by the Remuneration Committee and the Board for the Shares granted to the specified eligible participant.

(vii) Payment on acceptance of option offer

An option shall be deemed to be granted and accepted by a grantee and become effective when the duplicate offer letter constituting acceptance of the option is duly signed by the grantee, together with a payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Payment of consideration for the grant shall in no circumstances be refundable.

(viii) Basis for determining the exercise price

The exercise price shall be determined at the sole discretion of the Board, but in any case, at least the higher of: (a) the closing price of the Shares on the date of grant (which must be a business day) as stated on the daily quotations sheet of the Stock Exchange; and (b) the average closing price of the Shares for the five (5) business days before the date of grant as stated on the daily quotations sheet of the Stock Exchange; provided that in the event of fractional prices, the exercise price per Share shall be rounded upwards to the nearest whole cent.

(ix) Remaining life of the scheme

The 2024 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the adoption date, after which period no further options will be offered or granted but the provisions of the 2024 Share Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the 2024 Share Option Scheme.

During the year ended 31 December 2025, details of movements in the share options under the 2024 Share Option Scheme are as follows:

Category and name of grantee	Options to subscribe for Shares									
	Outstanding as at 1 January 2025	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed During the Year	Outstanding as at 31 December 2025	Exercise price per Share (HK\$)	Date of grant	Exercise period	
	Directors									
Mr. Xu Binhuai	12,000,000	–	–	–	–	12,000,000	5.01	22.07.2024	Vesting date ⁽¹⁾ – 21 July 2034	
Mr. Xiao Hua	5,000,000	–	–	–	–	5,000,000	5.01	22.07.2024	Vesting date ⁽¹⁾ – 21 July 2034	
Sub-total of Directors	17,000,000	–	–	–	–	17,000,000				
Employee participants (other than Directors)	207,150,000	–	260,000	–	4,231,250	202,658,750	5.01	22.07.2024	Vesting date ⁽¹⁾ – 21 July 2034	
Total	224,150,000	–	260,000	–	4,231,250	219,658,750				

Notes:

- The Company granted share options to eligible participants (all being employees of the Group) to subscribe for an aggregate of 225,350,000 Shares pursuant to the terms of the 2024 Share Option Scheme on 22 July 2024. Although the vesting period for the first batch of share options under such grant is less than 12 months, the overall grant has a mixed schedule where the share options may vest over a period from 1 April 2025 to 1 April 2030 and each is attached with performance-based vesting conditions. These circumstances are specifically permitted under the 2024 Share Option Scheme for a shorter vesting period. The Board also considers that this is appropriate as part of the competitive terms and conditions to reward exceptional performers with accelerated vesting and to motivate exceptional performers based on performance metrics. With respect to the grants to the Directors, the Remuneration Committee is of the view that, in addition to the above and taking into account (i) the demonstrated contributions of the grantees to the overall operations, development and growth of the Group; and (ii) a majority of the share options are subject to a longer vesting period, which will ensure that the long-term interests of the grantees and the Company are aligned and the grantees will be motivated to contribute to the Company's development, a shorter vesting period for the first batch of share options is appropriate.
- The closing price of the Shares immediately before the date of grant (22 July 2024) was HKD4.87 per Share, and the fair value of the Shares at the date of grant was approximately RMB531,422,817. The expense of share options charged to profit or loss during the Year was approximately RMB183.12 million (for the corresponding period in 2024: RMB137.07 million), mainly because, upon granting the relevant share options, the Company is required to recognise the fair value of the relevant share options as at the grant date as an expense by amortising it over the vesting period and the lapse of certain share options. The relevant accounting policy is described in Note 44.19 "Share-based payments" to this report.
- During the Year, the Company allotted and issued 260,000 Shares upon the exercise of share options by employee participants (excluding Directors). The weighted average closing price of the Shares immediately before the dates of exercise of the relevant share options, being 12 December 2025 and 18 December 2025, was HK\$6.29 per Share. No share options were cancelled by the Company during the Year.
- As at 1 January 2025 and 31 December 2025, the number of share options available for grant under the 2024 Share Option Scheme to subscribe for the relevant Shares was 110,152,033 and 114,383,283, respectively, and the number of share options available for grant under the service provider sublimit to subscribe for the relevant Shares was 66,860,406 and 66,860,406, respectively.
- All the eligible participants with options granted on 22 July 2024 were the employees of the Group, who were not (i) participants with the Shares granted exceeding the 1% individual limit and (ii) related entity participants or service providers with the Shares granted in any 12-month period exceeding 0.1% of the Shares in issue of the Company.

Report of the Directors

- (6) The Company granted share options to eligible participants (all being employees of the Group) to subscribe for an aggregate of 225,350,000 Shares pursuant to the terms of the 2024 Share Option Scheme on 22 July 2024. The vesting dates of these share options are as follows, and the vesting period is from 22 July 2024 to the relevant vesting date in below table:

Batch	Percentage	Vesting dates
The first batch of share options	25%	1 April 2025 or 1 April 2026 (subject to the fulfillment of vesting conditions, the same below)
The second batch of share options	20%	1 April 2026 or 1 April 2027
The third batch of share options	20%	1 April 2027 or 1 April 2028
The fourth batch of share options	20%	1 April 2028 or 1 April 2029
The fifth batch of share options	15%	1 April 2029 or 1 April 2030

The share options granted as aforesaid will vest in the relevant grantees upon the satisfaction of the conditions relating to (a) the Company's performance targets and (b) individual's performance targets. With respect to the first batch of share options:

The Company's performance targets

The Group's service power, brand power and development speed (the year-on-year growth rate of the Company's revenue for the year ended 31 December 2024[#] as compared to the previous year) exceed the average year-on-year growth rate of the revenue for the same period of the top 20 listed peers which publish their audited annual results for 2023 no later than 31 March 2024[#] in terms of revenue for the year ended 31 December 2023 other than the Company (the "Comparable Companies") (the "2024[#] Target for Revenue Growth Rate"), and meanwhile, the profit of the Group's core business for the year ended 31 December 2024[#] maintains steady. The Board will evaluate the development quality of the Group and determine the vesting results before the vesting date.

In the event of failure to achieve the 2024[#] Target for Revenue Growth Rate, the evaluation may be extended for another year. In this event, the 2024[#] Target for Revenue Growth Rate shall be deemed to be achieved by the compound annual growth rate of the revenue of the Company for the year ending 31 December 2025⁺ exceeding the compound annual growth rate of revenue of the Comparable Companies for the same period based on the revenue of the Company for the year ended 31 December 2023[^], and with all other vesting conditions being achieved, such batch of share options can be vested to the relevant Grantees.

[#] For the second to fifth batches of share options, it shall be 2025, 2026, 2027 and 2028, respectively.

^{*} The revenues of the Company and the Comparable Companies set out in the vesting conditions represent the revenues shown in the audited consolidated financial statements.

[^] For the second to fifth batches of share options, it shall be 2024, 2025, 2026 and 2027, respectively.

⁺ For the second to fifth batches of share options, it shall be 2026, 2027, 2028 and 2029, respectively.

Individual's performance targets

The relevant grantee having achieved the individual's annual performance targets set by the Company for the year ended 31 December 2024[#], e.g.: (a) financial performance of the business under the grantees' responsibility (e.g., cash flow, revenue, profit, comprehensive collection rate); (b) operating performance of the business under the grantees' responsibility (e.g., product competitiveness, market penetration, operating efficiency and business health); and/or (c) mechanism construction, team growth, model innovation, learning and growth, etc. Specific targets are determined by the Company on an annual basis, with differentiated requirements tailored to different categories of grantees. For details, please refer to the Company's announcement dated 22 July 2024.

[#] For the second to fifth batches of share options, it shall be 2025, 2026, 2027 and 2028, respectively.

- (7) During the Year, no share options were granted by the Company, therefore the total number of Shares which may be issued upon the exercise of the share options granted under the 2024 Share Option Scheme divided by the weighted average number of Shares in issue during the Year is zero.

Save as disclosed above, no outstanding options had been exercised, cancelled or lapsed under 2024 Share Option Scheme during the reporting period. After the reporting period, amendments to (1) the rules of the 2024 Share Option Scheme and (2) the terms of the granted options have been approved by the Shareholders at the extraordinary general meeting of the Company held on 28 January 2026. For details regarding the amendments, please refer to the Company's announcement dated 23 December 2025 and the Company's circular dated 8 January 2026.

SHARE AWARD SCHEME

On 18 November 2024, the Share Award Scheme was approved and adopted by the Board of the Company, for a term of 10 years from the date of its adoption and will expire on 17 November 2034. A summary of the principal terms of the Share Award Scheme is set out as follows:

(i) Purpose

The Share Award Scheme was adopted by the Company with the following objectives: (i) to incentivize core talents who play an important role in the future operations and development of the Company; (ii) to reward selected participants for their contributions to the Company.

(ii) Eligible participants

The scope of the eligible participants includes:

- Directors and/or employees of the Group which holds certain key positions within the Group (i.e. selected employee participants);
- Other individuals who the Board believes provide services beneficial to the long-term development of the Group (i.e. service providers).

The participants will be excluded from the scheme if they meet any of the following conditions, among others:

- No longer employed by the Group or the designated company by the Company or holding a key management position within the Group or providing services to the Group;
- Committing serious misconduct(s) such as fraud, dishonesty, gross negligence, bribery, corruption, theft, disclosure of commercial and technical secrets, or non-compliance with internal guidelines;
- Bankruptcy or inability to repay debts; and
- Other circumstances determined by the performance management working group.

(iii) Total number of Shares which may be issued pursuant to the scheme and its percentage of the Shares in issue as at the date of this annual report

- The maximum number of Shares which may be issued pursuant to the Share Award Scheme must not exceed 109,000,000 Shares.
- As at the date of this annual report, the total number of Shares may be granted pursuant to the Share Award Scheme was 109,000,000 Shares (including Shares acquired but not yet granted), representing approximately 3.35% of issued share capital (excluding treasury Shares) of the Company as at the date of this report.

(iv) Maximum entitlement to awarded share of each eligible participant

The maximum number of awarded share may be granted to a selected participant pursuant to the Share Award Scheme must not exceed 33,430,000 Shares.

(v) Exercise period of options pursuant to the Share Award Scheme by the grantee

Not applicable

Report of the Directors

(vi) Vesting period of the awarded shares

The relevant selected participants shall complete the acceptance of awards prior to the vesting deadline indicated in the grant notice, failing which the award shall be forfeited in accordance with the terms of the Share Scheme Award.

(vii) Payment on acceptance of award

The Board may determine the amount payable on acceptance of the award (if any) and the period within which payments must be or may be made (or loans for such purposes must be repaid).

(viii) Basis for determining the purchase price of awarded shares (if any)

The grant price is determined by the Board and the performance management working group, taking into account factors such as the exercise price of options recently granted pursuant to the Company's Share Option Scheme, the price at which the Company has purchased Shares through a trust, and the operating costs of the management plan.

(ix) Remaining life of the scheme

Subject to any early termination as may be determined by the Board pursuant to the scheme rules, the Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the adoption date. The provisions of the scheme will remain fully effective and applicable to awards granted but not yet vested during the scheme period. The trust duration should be no less than the scheme period, starting from the establishment of the trust plan.

From the date of adopting the Share Award Scheme to the date of this report, a wholly-owned subsidiary of the Company established a trust within China as the settlor pursuant to the Share Award Scheme, and pursuant to the trust deed with the trustee (an independent third-party trust company), the trustee has purchased an aggregate of 109,000,000 Shares through market transactions, using RMB through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect mechanisms. On 1 January 2025 and 31 December 2025, Shares that may be awarded pursuant to the Share Award Scheme were 109,000,000 Share and 109,000,000 Shares respectively.

During the year ended 31 December 2025, no Shares were granted, vested, lapsed, cancelled or forfeited under the Share Award Scheme.

As the source of the Shares that may be awarded does not include the issue of new Shares, the number of Shares that may be issued in respect of awards granted under the Share Award Scheme during the Year divided by the weighted average number of Shares (excluding treasury Shares) in issue during the Year is not applicable.

Save as disclosed above, no other share option scheme or share award scheme has been established by the Company.

EQUITY FUND-RAISING ACTIVITIES AND USES OF PROCEEDS

During the Year, the Company had not issued any equity securities (including the securities which can be converted into equity securities) or sold any treasury Shares for cash. The proceeds from equity fund-raising activities of the Company since listing have been fully utilized in the prior years. For details, please refer to the sections on **"EQUITY FUND-RAISING ACTIVITIES AND USES OF PROCEEDS"** in the Company's previous annual reports. The Company did not conduct any sale of treasury Shares during the Year and in the previous financial years.

CORPORATE GOVERNANCE

The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Group was subject to a number of laws and regulations, mainly including the Company Law of the PRC, the Civil Code of the PRC, the Property Management Regulations, the Price Law of the PRC, the Measures for the Management of Property Service Charge, the Regulations on Property Management Service Fee with Clear Price Tag, the Bid-Inviting and Bidding Law of the PRC, the Interim Measures for Bid-Inviting and Bidding Management of Preliminary Property Management, the Environment Protection Law of the PRC, the Production Safety Law of the PRC, the Fire Prevention Law of the PRC, the Regulations on the Administration of Security Services, the Special Equipment Safety Law of the People's Republic of China, the Regulations on Safety Supervision of Special Equipment, Measures for the Management of Special Maintenance of Residential Buildings, Administrative Measures of the Indoor Fitment and Decoration, the Administrative Measures for Municipal Solid Waste, Administration of Urban Construction Garbage, Food Safety Law of the PRC, Advertising Law of the PRC, the Administrative Measures for Real Estate Brokerage, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Implementation Regulations for the Labour Contract Law of the PRC, the Social Security Law of the PRC and Administrative Regulation on Housing Provident Fund, etc.

During the year ended 31 December 2025, the Group's business had complied with the relevant laws and regulations in all material respects and there were no material violations or contraventions of any laws and regulations applicable to the Group which may have a material adverse impact on the Group's business or financial position as a whole.

SUFFICIENCY OF PUBLIC FLOAT

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there is no restriction against such rights under the laws of Cayman Islands.



Report of the Directors

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

During the Year, the Company repurchased a total of 63,872,000 Shares on the Stock Exchange at a total consideration of HKD402,164,700 (before all the relevant expenses). The Shares repurchased were subsequently fully cancelled. Details of the Shares repurchased were as follows:

Month	Number of Shares repurchased	Purchase price per Share		Total consideration (before relevant expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
May 2025	3,475,000	6.76	6.58	23,038,360
June 2025	4,077,000	6.67	6.21	26,105,030
July 2025	1,537,000	6.64	6.42	10,046,440
September 2025	1,600,000	6.43	6.37	10,258,910
October 2025	4,380,000	6.40	6.17	27,195,080
November 2025	9,599,000	6.57	6.15	60,352,100
December 2025	39,204,000	6.46	5.95	245,168,780
	63,872,000			402,164,700

The purpose of such Share repurchase was to increase the returns for the Shareholders and to reflect the Company's confidence in its business prospects, and was beneficial to all Shareholders.

In accordance with the rules of the new Share Award Scheme adopted by the Company on 18 November 2024 and the terms and conditions of the trust deed, during the Year, a designated subsidiary of the Company entrusted a trustee to purchase a total of 2,120,000 Shares at a total consideration (including transaction cost) of approximately RMB11,104,000 through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect mechanisms. As of the date of this report, a designated subsidiary of the Company entrusted a trustee in 2024 and 2025 to purchase a total of 109,000,000 shares of the Company on the open market through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect at a total consideration (including transaction costs) of approximately RMB556,547,000.

As at 31 December 2025, the total number of Shares in issue of the Company was 3,343,638,516 Shares. Save as disclosed above, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares). As at 31 December 2025, the Company did not hold any treasury share.

AUDITOR

PwC has resigned as the auditor of the Company with effect from 21 October 2024. With the recommendation from the audit committee, the Board has resolved to appoint Deloitte as the new auditor of the Company to fill the casual vacancy following the resignation of PwC with effect from 21 October 2024. Subsequently, Deloitte was appointed as auditor of the Company at the annual general meeting of the Company held in 2025. The Board will propose a resolution on the re-appointment of Deloitte as the Company's auditor for the ensuing year at the forthcoming annual general meeting of the Company.

Save as disclosed above, there were no changes in the Company's auditor in the three years prior to the reporting date.

TAX RELIEF AND EXEMPTION AND CONSULTING PROFESSIONAL TAX ADVISERS

The Company is not aware of any tax relief or exemption available to any Shareholders as a result of holding the securities of the Company. Shareholders are recommended to consult professional advisers if they are in any doubt as to the tax implications of purchasing, holding, disposing of, dealing in or the exercise of any rights in relation to the Shares of the Company.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the eligibility of the Shareholders to attend, speak and vote at the 2026 AGM of the Company, and the Eligible Shareholders' entitlement to the proposed final dividend and special dividend, the register of members of the Company will be closed as appropriate as set out below:

- (i) For determining the Shareholders' eligibility to attend, speak and vote at the 2026 AGM:

Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar and transfer office	At 4:30 p.m. on Friday, 22 May 2026
Record date	Tuesday, 26 May 2026
Closure of the register of members of the Company	Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive)

- (ii) Subject to the passing of the shareholders' resolutions approving the proposal for distributing the final dividend and special dividend at the 2026 AGM, for determining the Eligible Shareholders' entitlement to the proposed final dividend and special dividend:

Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar and transfer office	At 4:30 p.m. on Tuesday, 9 June 2026
Closure of the register of members of the Company	Wednesday, 10 June 2026 to Thursday, 11 June 2026 (both days inclusive)
Record date	Thursday, 11 June 2026

For the purposes mentioned above, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

For and on behalf of the Board
Xu Binhuai
President and Executive Director

Foshan, China, 27 March 2026



INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

TO THE SHAREHOLDERS OF COUNTRY GARDEN SERVICES HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Country Garden Services Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 111 to 213, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Key audit matter

How our audit addressed the key audit matter

Assessment of impairment of expected credit losses ("ECL") on trade receivables

We identified the expected credit losses of trade receivables as a key audit matter due to the magnitude of the balance of trade receivables, complexity and significant judgements and estimates the Group makes to measure the ECL, including those related to the probability of default, loss given default and forward-looking information.

As disclosed in notes 4, 5 and 27 to the consolidated financial statements, the Group adopts ECL model to assess the impairment of trade receivables.

For credit-impaired trade receivables, the Group evaluated the distribution of expected cash flows under multiple scenarios based on experience of historical credit loss, business model, current situations and forecasts of future conditions of contract counterparties under different scenarios, and made corresponding loss allowance according to expected credit loss rate and the related probability weight under different scenarios. ECL were recognised on an individual basis and loss allowances were made on an individual basis.

For non-credit impaired trade receivables, the Group assessed the ECL of these trade receivables collectively by grouping the debtors based on their shared credit risk characteristics and aging periods, and based on the assumptions about risk of default and expected credit loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment of ECL calculation, based on the Group's past history, aging profile of the trade receivables, existing market conditions as well as forward looking estimates at the end of each reporting period.

As at 31 December 2025, the gross balance of trade receivables amounted to RMB22,738,093,000 which represented approximately 31.7% of the total assets of the Group. The Group assessed the expected credit losses of the trade receivables and RMB3,931,277,000 of loss allowance was made against the trade receivables as at 31 December 2025.

Our procedures in relation to the impairment assessment of trade receivables included:

- Understanding the relevant control over the management's impairment assessment process of trade receivables;
- Assessed the appropriateness of the ECL provisioning model and methodology adopted by management;
- Evaluated the rationality of management's assumptions of expected cash flow distribution, expected credit losses rate and related probability weight under different scenarios for individual assessment;
- Challenged the reasonableness of the ECL rates adopted by management;
- Tested, on a sample basis, the accuracy of aging report of trade receivables prepared by the Group;
- Checked the mathematical accuracy of the calculation of the provision for loss allowance;
- Evaluating the disclosures regarding the impairment assessment of trade receivables measured at amortised cost in notes 4, 5 and 27 to the consolidated financial statements.

Independent Auditor's Report

Key audit matter

How our audit addressed the key audit matter

Goodwill impairment assessment

We identified the goodwill impairment assessment as a key audit matter due to the significance of the goodwill balance and the significant judgments and estimates made by the Group in the goodwill impairment assessment process.

As disclosed in notes 5 and 19 to the consolidated financial statements, as at 31 December 2025, the Group had goodwill of RMB14,447,351,000 which accounted for approximately 20.1% of the total assets of the Group. The Group has assessed the goodwill impairment and impairment losses of goodwill amounting to RMB968,891,000 was recognised for the year ended 31 December 2025.

The Group assessed the impairment of goodwill, with the assistance from independent qualified valuer, by determining the recoverable amounts of the cash generating-units ("CGU") and group of CGUs based on higher of fair value less costs of disposal and value in use.

Significant judgments and estimates were involved in the goodwill impairment assessment. These significant judgments and estimates include the adoption of appropriate model and methodology to perform goodwill impairment assessment.

The recoverable amount of the goodwill is determined based on fair value less costs of disposal or value-in-use calculations (whichever is the higher). The value in use calculation requires the Group to forecast the future cash flows expected to arise from the CGU based on the financial budgets approved by the Group. The use of key assumptions in the value-in-use calculation primarily includes revenue growth rates, gross profit margins, earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins, terminal growth rate and discount rates. The use of key assumptions in the fair value calculation primarily includes price-to-earnings ratio and discount for lack of marketability.

Our procedures in relation to the goodwill impairment assessment included:

- Obtained an understanding of the Group's assessment process and relevant controls of goodwill impairment and assessed the risk of material misstatement by considering the degree of estimation uncertainty, complexity, subjectivity and other inherent risk factors;
- Assessed the appropriateness of the Group's identification of the CGU and allocation of goodwill to meet HKFRS Accounting Standards requirements and our understanding of the Group's business;
- Assessed the competency, capabilities and objectivity of the external valuer engaged by the Group;
- Obtained management's assessment on goodwill impairment and assess the appropriateness of the model and methodology adopted by management;
- Challenged and assessed the reasonableness of the key assumptions used, including revenue growth rates, gross profit margins and EBITDA margins, terminal growth rate and discount in the goodwill impairment assessment, with the assistance of our internal valuation specialist;
- Performed a retrospective review by comparing the prior year's cash flow forecasts with the current year's results to assess the reliability and historical accuracy of management's forecasting process;
- Evaluated the reasonableness of the sensitivity analysis performed by management on the key assumptions to understand the impact of reasonable changes in assumptions on the recoverable amount;
- Checked the mathematical accuracy of the calculations of the goodwill impairment assessment, if any;
- Evaluating the disclosures regarding the goodwill impairment assessment in note 19 to the consolidated financial statements.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lam, Lawrence (practising certificate number: P05728).

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	6	48,353,748	43,992,889
Cost of providing services		(37,483,377)	(33,482,191)
Cost of sales of goods		(2,414,429)	(2,110,091)
Gross profit		8,455,942	8,400,607
Selling and marketing expenses		(290,439)	(373,196)
General and administrative expenses		(4,614,582)	(4,442,718)
Impairment of goodwill and other intangible assets	19	(968,891)	(990,000)
Net impairment losses on financial and contract assets	9	(1,539,525)	(663,717)
Other income	7	176,500	254,413
Other (losses)/gains – net	8	(189,732)	484,722
Operating profit		1,029,273	2,670,111
Finance income	11	265,461	217,255
Finance costs	11	(126,417)	(169,100)
Finance income – net	11	139,044	48,155
Share of results of investments accounted for using the equity method		(49,688)	(11,560)
Profit before income tax		1,118,629	2,706,706
Income tax expense	12	(519,730)	(832,198)
Profit for the year	13	598,899	1,874,508
Profit attributable to:			
– Owners of the Company		601,497	1,808,357
– Non-controlling interests		(2,598)	66,151
		598,899	1,874,508
Other comprehensive (expense) income			
Item that may be reclassified to profit or loss:			
– Currency translation differences	30	2,294	(8,447)
Item that will not be reclassified to profit or loss:			
– Changes in fair value of financial assets at fair value through other comprehensive income	30	(76,964)	113,397
Total other comprehensive (expense) income for the year, net of income tax		(74,670)	104,950
Total comprehensive income for the year		524,229	1,979,458
Total comprehensive income attributable to:			
– Owners of the Company		526,827	1,913,307
– Non-controlling interests		(2,598)	66,151
		524,229	1,979,458
Earnings per share for profit attributable to owners of the Company (expressed in RMB cents per share)			
– Basic	14	18.04	54.16
– Diluted	14	17.94	54.16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		At 31 December	
	NOTES	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	1,733,132	1,702,482
Other right-of-use assets	17	411,583	420,609
Investment properties	18	1,526,224	1,697,824
Intangible assets	19	20,197,041	22,162,313
Investments accounted for using the equity method	21	396,887	533,497
Financial assets at fair value through other comprehensive income	23	452,401	556,740
Contract assets	24	3,784	73,320
Trade and other receivables	27	1,126,459	282,769
Deferred income tax assets	34	1,484,150	1,130,244
Time deposits		1,596,236	466,281
		28,927,897	29,026,079
Current assets			
Inventories	26	753,426	613,242
Other current assets		913,433	344,020
Trade and other receivables	27	23,325,800	22,680,328
Financial assets at fair value through profit or loss	25	2,347,620	580,033
Contingent consideration receivables	25	289,458	298,508
Restricted bank deposits	28	1,048,222	560,016
Time deposits		2,382,960	1,815,080
Cash and cash equivalents	28	11,851,493	15,337,225
		42,912,412	42,228,452
Total assets		71,840,309	71,254,531

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2025

	NOTES	At 31 December 2025 RMB'000	2024 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital and share premium	29	26,157,811	26,521,871
Other reserves	30	841,501	597,476
Retained earnings	31	8,958,978	9,497,683
		35,958,290	36,617,030
Non-controlling interests		2,392,247	2,461,692
Total equity		38,350,537	39,078,722
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	35	1,243,210	518,125
Lease liabilities	17	987,325	1,726,309
Deferred income tax liabilities	34	1,318,472	1,598,912
		3,549,007	3,843,346
Current liabilities			
Contract liabilities	6	8,877,892	8,245,315
Trade and other payables	33	19,877,812	18,823,788
Current income tax liabilities		622,333	707,579
Bank and other borrowings	35	383,569	352,131
Lease liabilities	17	179,159	203,650
		29,940,765	28,332,463
Total liabilities		33,489,772	32,175,809
Total equity and liabilities		71,840,309	71,254,531

The consolidated financial statements on pages 111 to 213 were approved by the board of directors on 27 March 2026 and were signed on its behalf.

Xu Binhuai

Director

Xiao Hua

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Attributable to owners of the Company					Total equity RMB'000
		Share capital and share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	
Balance at 1 January 2025		26,521,871	597,476	9,497,683	36,617,030	2,461,692	39,078,722
Comprehensive income							
Profit (loss) for the year		–	–	601,497	601,497	(2,598)	598,899
Other comprehensive expense		–	(74,670)	–	(74,670)	–	(74,670)
Total comprehensive (expense) income for the year ended 31 December 2025		–	(74,670)	601,497	526,827	(2,598)	524,229
Share purchase/repurchase of shares	29(a)	(378,128)	–	–	(378,128)	–	(378,128)
Consideration issue	29(b)	12,407	–	–	12,407	–	12,407
Employee share schemes							
– value of employee services	10	–	183,123	–	183,123	–	183,123
– exercise of share options	29(c), 30	1,661	(479)	–	1,182	–	1,182
Capital injection from non-controlling interests		–	–	–	–	12,807	12,807
Transactions with non-controlling interests		–	(15,206)	–	(15,206)	4,201	(11,005)
Acquisitions of subsidiaries	38	–	–	–	–	48,468	48,468
Appropriation of statutory reserves		–	151,257	(151,257)	–	–	–
Disposals of subsidiaries	39	–	–	–	–	(78,026)	(78,026)
Dividends		–	–	(988,945)	(988,945)	(54,297)	(1,043,242)
		(364,060)	318,695	(1,140,202)	(1,185,567)	(66,847)	(1,252,414)
Balance at 31 December 2025		26,157,811	841,501	8,958,978	35,958,290	2,392,247	38,350,537
Balance at 1 January 2024		27,066,858	924,309	8,164,706	36,155,873	2,626,204	38,782,077
Comprehensive income							
Profit for the year		–	–	1,808,357	1,808,357	66,151	1,874,508
Other comprehensive income		–	104,950	–	104,950	–	104,950
Total comprehensive income for the year ended 31 December 2024		–	104,950	1,808,357	1,913,307	66,151	1,979,458
Share purchase/repurchase of shares	29(a)	(545,443)	–	–	(545,443)	–	(545,443)
Consideration issue	29(b)	456	–	–	456	–	456
Employee share schemes							
– value of employee services	10	–	123,265	–	123,265	–	123,265
Capital injection from non-controlling interests		–	–	–	–	40,628	40,628
Transactions with non-controlling interests*		–	(45,574)	–	(45,574)	(92,500)	(138,074)
Acquisition of subsidiaries	38	–	–	–	–	16,546	16,546
Appropriation of statutory reserves		–	69,290	(69,290)	–	–	–
Disposals of subsidiaries	39	–	–	–	–	(27,620)	(27,620)
Disposals of financial assets at fair value through other comprehensive income	30	–	(578,764)	578,764	–	–	–
Dividends		–	–	(984,854)	(984,854)	(167,717)	(1,152,571)
		(544,987)	(431,783)	(475,380)	(1,452,150)	(230,663)	(1,682,813)
Balance at 31 December 2024		26,521,871	597,476	9,497,683	36,617,030	2,461,692	39,078,722

* This mainly consists of the acquisition of the additional 7.5% equity interest of the subsidiary, Fujian Dongfei Environment Group, from the non-controlling interest, which was settled by the contingent consideration receivable.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	36(a)	3,734,228	4,919,355
Income tax paid		(1,226,328)	(1,046,256)
Net cash generated from operating activities		2,507,900	3,873,099
Cash flows from investing activities			
Payments for acquisition of subsidiaries, net of cash acquired	38	91,280	19,342
Settlement of outstanding considerations payable for business combinations in prior years		(22,878)	—
Proceeds from contingent consideration for business combinations in prior years	4	9,050	465
Net cash (outflow)/inflow from disposals of subsidiaries	39	(25,799)	48,626
Dividends received from investment accounted for using the equity method	21	17,398	8,375
Dividends received from financial assets at fair value through other comprehensive income	7	34,839	76,017
Payments for investments accounted for using the equity method	21	(12,307)	(10,411)
Payments for property, plant and equipment	16	(516,186)	(610,291)
Payments for intangible assets		(105,049)	(136,540)
Purchases of investment properties		(405,262)	—
Payments for financial assets at fair value through profit or loss	4	(7,418,083)	(3,052,900)
Payments for time deposits		(4,552,249)	(2,281,361)
Loans to related parties	27	(1,000,000)	—
Proceeds from disposals of property, plant and equipment, and investment properties	36(c)	80,805	244,100
Proceeds from disposals of intangible assets	19	1,236	5,226
Proceeds from disposals of investments accounted for using the equity method		2,481	39,932
Proceeds from disposals of financial assets at fair value through profit or loss	4	5,703,515	3,262,297
Proceeds from disposals of financial assets at fair value through other comprehensive income		—	3,856,644
Proceeds from maturity of time deposits		2,922,675	—
Interest received		133,031	217,255
Net cash (used in)/generated from investing activities		(5,061,503)	1,686,776
Cash flows from financing activities			
Proceeds from bank and other borrowings	36(d)	1,160,183	337,569
Purchase shares for the share award scheme/buy-back of shares	29(a)	(378,128)	(545,443)
Issue of shares pursuant to share option scheme		1,182	—
Capital injection from non-controlling interests		5,607	40,628
Transactions with non-controlling interests		(11,005)	(12,211)
Principal elements of lease payments		(154,365)	(210,589)
Repayments of bank and other borrowings	36(d)	(430,165)	(1,088,843)
Interest paid on leases		(76,092)	(86,170)
Interest paid on bank and other borrowings	11, 36(d)	(50,166)	(75,111)
Dividends paid to owners of the Company	15	(988,945)	(984,854)
Dividends paid to non-controlling interests		(61,241)	(197,432)
Net cash used in financing activities		(983,135)	(2,822,456)
Net (decrease)/increase in cash and cash equivalents		(3,536,738)	2,737,419
Cash and cash equivalents at beginning of the year		15,337,225	12,637,187
Effects of exchange rate changes on cash and cash equivalents		51,006	(37,381)
Cash and cash equivalents at end of the year		11,851,493	15,337,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

Country Garden Services Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 24 January 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in provision of property management services, community value-added services, value-added services to non-property owners, heat supply services, environmental business and commercial operational services in the People’s Republic of China (the “PRC”).

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

These consolidated financial statements for the year ended 31 December 2025 are presented in Renminbi (“RMB”), unless otherwise stated. RMB is also the functional currency of the Company. These consolidated financial statements have been approved for issue by the board of directors of the Company on 27 March 2026.

2. Application of new and amendments to HKFRS Accounting Standards

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

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Application of new and amendments to HKFRS Accounting Standards *(Continued)*

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

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

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

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

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

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

HKFRS 18 presentation and disclosure in financial statements

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

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

3. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management

4.1 Financial risk management objectives and policies

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

4.1.1 Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group is exposed to credit risk in relation to its trade and other receivables, contract assets, restricted bank deposits, time deposits and bank balances. The carrying amounts of trade and other receivables, contract assets, restricted bank deposits, time deposits and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

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

Internal credit rating	Description	Financial assets except trade receivables and contract assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Watch list	Debtor frequently repays after due dates but casually settle in full	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Financial assets at Fair Value Through Profit or Loss ("FVPL")

The Group invests in wealth management products, structure products and funds issued by banks and financial institutions. The credit risk of these financial assets are regularly reviewed and monitored by the Group. Details of the terms of these investments are disclosed in note 25. Summary of the fair value and principal amount of these financial assets are set out below.

	2025		2024	
	Fair value RMB'000	Principal RMB'000	Fair value RMB'000	Principal RMB'000
Wealth management products	1,291,319	1,259,528	580,033	530,000
Structure products	1,052,067	1,050,000	—	—
Currency forward contracts	4,234	N/A	—	—
	2,347,620		580,033	
Contingent consideration receivables	289,458	N/A	298,508	N/A

Restricted bank deposits, time deposits and bank balances

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

Trade receivables and contract assets arising from contracts with customers

For trade receivables and contract assets, apart from credit-impaired receivables (including those property developers faced with liquidity pressures), the Group has large number of customers and there was no concentration of credit risk. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group performs impairment assessment under ECL model on credit-impaired trade receivables individually. Except for the credit-impaired trade debtors, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped based on shared credit risk characteristics by reference to the aging of outstanding balances.

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.

The Group applies the simplified approach to provide for ECL on non-credit impaired trade receivables and contract assets prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables and contract assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Trade receivables and contract assets arising from contracts with customers (Continued)

The tables below detail the credit risk exposures of the Group's trade receivables and contract assets, which are subject to ECL assessment:

	Notes	12m or lifetime ECL	Gross carrying amount	
			2025 RMB'000	2024 RMB'000
Trade receivables	27 (Note 1)	Lifetime ECL — not credit-impaired (collective assessment)	19,685,898	17,462,704
	(Note 2)	Lifetime ECL — credit-impaired	3,052,195	3,681,428
			22,738,093	21,144,132
Contact assets	24 (Note 3)	Lifetime ECL — not credit-impaired (collective assessment)	3,784	73,320

Notes:

- (1) The expected loss rates for the non-credit impaired trade receivables are based on the payment profiles of sales over a period of 5 years before 31 December 2025 (2024: 5 years) and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified China consumer price Index and unemployment rates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

The loss allowance provision for non-credit impaired trade receivables was determined as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Trade receivables							
At 31 December 2025							
Expected loss rate	1.3%	6.3%	19.6%	39.1%	54.0%	100.0%	
Gross carrying amount (RMB'000)	11,776,141	3,880,130	1,878,651	1,386,396	484,961	279,619	19,685,898
Loss allowance provision (RMB'000)	158,127	243,784	368,962	541,885	261,804	279,619	1,854,181
	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Trade receivables							
At 31 December 2024							
Expected loss rate	0.9%	4.4%	17.7%	37.0%	51.9%	100.0%	
Gross carrying amount (RMB'000)	11,334,376	3,526,093	1,721,666	559,443	219,322	101,804	17,462,704
Loss allowance provision (RMB'000)	100,713	153,459	304,728	206,853	113,721	101,804	981,278

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Trade receivables and contract assets arising from contracts with customers (Continued)

Notes: *(Continued)*

- (2) For credit impaired trade receivables at 31 December 2025 management of the Group evaluated the distribution of expected cash flows under multiple scenarios based on historical credit loss experience business model current situations and forecasts of future conditions of contract counterparties under different scenarios and made corresponding allowances according to expected credit losses rate and the related probability weight under different scenarios. For credit impaired trade receivables allowances amounting to RMB2,077,096,000 (2024: RMB2,473,482,000) of which RMB1,572,946,000 (2024: RMB1,886,053,000) were made against the gross amounts of trade receivables from related parties and RMB504,150,000 (2024: RMB587,429,000) were made against third-party customers respectively.
- (3) As at 31 December 2025 the Group has assessed that the ECL for contract assets was immaterial and therefore no ECL for contract assets was recognised as at 31 December 2025 (31 December 2024: nil).

The loss allowance provision for trade receivables reconciles to the opening loss allowance for that provision as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	3,454,760	3,132,683
Provision for loss allowance recognised in profit or loss (net of reversal) (note 9)	1,191,397	525,783
Decrease by the disposal of subsidiaries	(102,975)	—
Receivables written off as uncollectable	(611,905)	(203,706)
At 31 December	3,931,277	3,454,760

As at 31 December 2025 the gross carrying amount of trade receivables was RMB22,738,093,000 (2024: RMB21,144,132,000) and thus the maximum exposure to loss was RMB18,806,816,000 (2024: RMB17,689,372,000).

The Group writes off trade receivables or contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Other receivables

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

The credit risks of other receivables are managed through an internal process. The credit quality of each counterparty is investigated before credit is granted. The Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. The Group reviews the recoverable amount of these receivables at the end of each reporting period. Details of the quantitative disclosures of ECL on other receivables are set out below in this note.

Other receivables (excluding prepayments) mainly included payments on behalf of property owners, deposits, loans to third parties pledged by equities, loans to related parties, receivables from finance leases and others.

The following table presents the credit risk exposure of other receivables (excluding prepayments). Without considering guarantee or any other credit enhancement measures, the maximum credit risk exposure of other receivables (excluding prepayments) is presented as the gross carrying amount.

	At 31 December 2025			At 31 December 2024		
	Gross carrying amount RMB'000	Expected loss rate	Loss allowance provision RMB'000	Gross carrying amount RMB'000	Expected loss rate	Loss allowance provision RMB'000
Stage 1 (See note 44.9)						
Deposits	523,481	1.0%	5,246	505,457	1.3%	6,584
Payments on behalf of property owner	1,263,286	1.3%	16,386	962,054	0.8%	7,748
Loans to third parties pledged by equities	83,733	4.4%	3,668	85,849	3.8%	3,297
Loans to related parties	1,000,000	—	—	—	—	—
Receivables from finance leases	153,338	—	—	339,686	—	—
Others	841,386	2.0%	16,708	807,730	1.9%	15,602
	3,865,224		42,008	2,700,776		33,231
Stage 3 (See note 44.9)						
Loans to third parties pledged by equities	1,100,000	49.2%	540,838	1,100,000	25.9%	284,801
Others	149,448	—	—	180,457	—	—
	1,249,448		540,838	1,280,457		284,801
	5,114,672		582,846	3,981,233		318,032

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Other receivables (Continued)

The loss allowance provision for other receivables (excluding prepayments) reconciles to the opening loss allowance for that provision as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	318,032	220,135
Provision for loss allowance recognised in profit or loss (note 9)	264,814	97,897
At 31 December	582,846	318,032

As at 31 December 2025 the gross carrying amount of other receivables (excluding prepayments) was RMB5,114,672,000 (2024: RMB3,981,233,000) and thus the maximum exposure to loss was RMB4,531,826,000 (2024: RMB3,663,201,000).

Loan receivables from related parties

The management estimates the estimated loss rates of loan receivable from related parties on an individual assessment basis based on historical credit loss experience of the related parties as well as the fair value of the collateral pledged. Based on assessment by the management, the loss given default is minimal in view of the estimated realised amount of ultimate disposal of the collaterals. The management of the Group considers the ECL for loan receivables from related parties is insignificant and therefore no loss allowance was recognised. See note 27(d) for more details.

Financial guarantee contracts

At the end of the reporting period, the management has performed impairment assessment on the financial guarantee contract issued by a subsidiary of the Group prior to the business acquisition of this subsidiary, and concluded that the guarantee was defaulted. Accordingly, the loss allowance for this financial guarantee contract is measured at an amount equal to lifetime ECL. Details of the financial guarantee contracts are set out in this note and note 43.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.2 Liquidity risk

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

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest, if applicable.

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cashflow RMB'000	Carrying amount RMB'000
At 31 December 2025							
Trade and other payables (excluding payroll payables, contingent considerations for business combinations and other taxes payables)	N/A	15,798,490	–	–	–	15,798,490	15,798,490
Lease liabilities	4.3	228,788	222,788	410,794	604,779	1,467,149	1,166,484
Bank and other borrowings	4.4	440,101	109,819	861,934	483,197	1,895,051	1,626,779
Total		16,467,379	332,607	1,272,728	1,087,976	19,160,690	18,591,753

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cashflow RMB'000	Carrying amount RMB'000
At 31 December 2024							
Trade and other payables (excluding payroll payables, contingent considerations for business combinations and other taxes payables)	N/A	14,655,457	–	–	–	14,655,457	14,655,457
Lease liabilities	4.5	323,345	283,105	688,698	1,315,751	2,610,899	1,929,959
Bank and other borrowings	4.3	371,260	57,305	102,546	542,485	1,073,596	870,256
Total		15,350,062	340,410	791,244	1,858,236	18,339,952	17,455,672

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.2 Liquidity risk *(Continued)*

Regarding to the financial guarantee contracts the maximum amounts that the Group could be required to settle under the arrangement for the full guaranteed amount are RMB1,128,000,000 and RMB1,104,676,000 for the years ended 31 December 2025 and 2024 respectively if that amount is claimed by the counterparty to the guarantee. Based on the ECL assessment of the Group at 31 December 2025 the loss allowance for the financial guarantee contract issued by the Group is measured at an amount equal to the lifetime ECL of RMB129,949,000 (2024: RMB46,635,000). Details of the financial guarantee contracts are set out in this note and note 43.

4.1.3 Foreign exchange risk

The Group's businesses are principally conducted in RMB. The majority of its assets is denominated in RMB. The majority of its non-RMB assets are bank deposits denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD"). The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets which are denominated in non-RMB and net investment in foreign operations.

The aggregated carrying amount of the foreign currency denominated monetary assets of the Group at the end of the reporting period are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Assets		
HKD	2,108,763	172,271
USD	1,276,539	4,047,074
Other currencies	–	126,018
	3,385,302	4,345,363

Sensitivity analysis

The following table shows the sensitivity analysis of a 5% change in RMB against the HKD and USD, respectively. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. Should RMB strengthened/weakened by 5% against the HKD and USD, the effects on the post-tax profit or loss for the year would be as follows:

	Change of profit or loss (decrease)/increase 2025 RMB'000	2024 RMB'000
RMB against HKD:		
Strengthened by 5%	(79,079)	(6,460)
Weakened by 5%	79,079	6,460
RMB against USD:		
Strengthened by 5%	(47,870)	(151,765)
Weakened by 5%	47,870	151,765

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.4 Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings (note 35) and lease liabilities (note 17). Borrowings carried at floating rates expose the Group to cash flow interest-rate risk whereas those borrowings and lease liabilities carried at fixed rates expose the Group to fair value interest-rate risk.

The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise.

The exposure of the Group's borrowings (note 35) and lease liabilities (note 17) to interest rate changes and the contractual re-pricing dates of the borrowings and lease liabilities at the end of the reporting period are as follows:

	2025		2024	
	RMB'000	% of total borrowings	RMB'000	% of total borrowings
Variable rate borrowings	356,632	22%	361,814	42%
Fixed rate borrowings	1,270,147	78%	508,442	58%
	1,626,779	100%	870,256	100%
Lease liabilities	1,166,484		1,929,959	

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

As at 31 December 2025 borrowings of the Group which were bearing at floating rates amounted to approximately RMB356,632,000 (2024: RMB361,814,000). As at 31 December 2025 if the interest rates had been 50 basis point higher/lower and all other variables were held constant the Group's post-tax profit for the year ended 31 December 2025 would have been approximately RMB1,337,000 (2024: RMB1,357,000) lower/higher.

4. Financial risk and capital risk management *(Continued)*

4.2 Capital risk management

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest-bearing debt less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

As at 31 December 2025 and 2024, the Group has a net cash position.

4.3 Fair value estimation

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group assesses their fair value or engages third party qualified valuers to perform the valuation.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The table below analyses financial instruments carried or presented at fair value, by level of the inputs to valuation techniques used to measure fair value. The different levels are defined as follows:

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

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4. Financial risk and capital risk management *(Continued)*

4.3 Fair value estimation *(Continued)*

- (i) **Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis** *(Continued)*

Fair value hierarchy

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2025				
Financial assets				
Financial assets at FVPL (include contingent consideration receivable)	—	—	2,637,078	2,637,078
Financial assets at FVOCI	29,228	—	423,173	452,401
Total financial assets	29,228	—	3,060,251	3,089,479
Financial liabilities				
Financial liabilities at FVPL (note 33)	—	—	94,216	94,216
At 31 December 2024				
Financial assets				
Financial assets at FVPL (include contingent consideration receivable)	—	—	878,541	878,541
Financial assets at FVOCI	14,053	—	542,687	556,740
Total financial assets	14,053	—	1,421,228	1,435,281
Financial liabilities				
Financial liabilities at FVPL (note 33)	—	—	118,235	118,235

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4. Financial risk and capital risk management *(Continued)*

4.3 Fair value estimation *(Continued)*

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about valuation techniques and inputs (including the significant unobservable inputs used in level 3) used in fair value measurements of financial assets at FVOCI and financial assets at FVPL:

Financial assets	Fair value at		Valuation technique(s) and key inputs (s)	Relationship of unobservable inputs to fair value
	31/12/2025 RMB'000	31/12/2024 RMB'000		
Listed equity securities	29,228	14,053	Quoted price in an active market	N/A
Unlisted equity securities	423,173	542,687	Price-to-earning ratio	The higher the price-to-earnings ratio, the higher the fair value
			Price-to-sales ratio	The higher the price-to-sales ratio, the higher the fair value
Wealth management products	1,291,319	580,033	Quoted value from financial institutions based on expected return with reference to underlying investment	The higher the expected return, the higher the fair value
Structure products	1,052,067	—	Quoted value from financial institutions based on expected return as stipulated in relevant contracts with the counterparties	The higher the expected return, the higher the fair value
Currency forward contracts	4,234	—	Quoted value from financial institutions based on expected exchange rate as stipulated in relevant contracts with the counterparties	The higher the fluctuation of the exchange rate, the higher the fair value
Contingent consideration receivables	289,458	298,508	The fair value of contingent consideration is determined by reference to the considerations as stipulated in the equity transfer agreements and the expected financial performance of the subsidiaries	The better the financial performance of the subsidiaries, the lower the fair value
Contingent consideration payables	(94,216)	(118,235)		The better the financial performance of the subsidiaries, the higher the fair value

Notes to the Consolidated Financial Statements

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4. Financial risk and capital risk management *(Continued)*

4.3 Fair value estimation *(Continued)*

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Valuation inputs and relationships to fair value (Continued)

The financial assets/liabilities subsequently measured at fair value on Level 3 fair value measurement represent contingent consideration receivables/payables relating to the various business combination in prior years, respectively. For the year ended 31 December 2025, net gain of RMB7,535,000 (2024: net gain of RMB531,876,000) relating to the contingent consideration receivables/payables has been recognised in profit or loss.

(ii) Reconciliation of Level 3 fair value measurements

The following table presents the changes in level 3 instruments for the year ended 31 December 2025:

	Financial assets at FVPL (include contingent consideration receivables) (note 25) RMB'000	Financial assets at FVOCI (note 23) RMB'000	Total RMB'000
Balance at 1 January 2024	807,724	4,302,405	5,110,129
Additions	3,052,900	—	3,052,900
Disposals	(3,262,297)	(3,856,644)	(7,118,941)
Fair value changes	280,214	96,926	377,140
Balance at 31 December 2024 and 1 January 2025	878,541	542,687	1,421,228
Additions	7,418,083	—	7,418,083
Disposals	(5,712,565)	—	(5,712,565)
Fair value changes	53,019	(119,514)	(66,495)
Balance at 31 December 2025	2,637,078	423,173	3,060,251

There were no transfers between levels of the fair value hierarchy during the year.

(iii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The Group considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

5. Key sources of estimation uncertainty

In the application of the Group's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the 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.

(a) *Expected credit losses on trade receivables*

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

- for credit-impaired trade receivables, the Group evaluated the distribution of expected cash flows under multiple scenarios based on experience of historical credit loss, business model, current situations and forecasts of future conditions of contract counterparties under different scenarios, and made corresponding loss allowance according to expected credit loss rate and the related probability weight under different scenarios. ECL were recognised on an individual basis and loss allowances were made on an individual basis.
- For non-credit impaired trade receivables, the Group assessed the ECL of these trade receivables collectively by grouping the debtors based on their shared credit risk characteristics and aging periods, and based on the assumptions about risk of default and expected credit loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment of ECL calculation, based on the Group's past history, aging profile of the trade receivables, existing market conditions as well as forward looking estimates at the end of each reporting period.

As at 31 December 2025, the aggregate carrying amount of trade receivables was RMB18,806,816,000 (2024: RMB17,689,372,000), after taking into account accumulated impairment losses of RMB3,931,277,000 (2024: RMB3,454,760,000).

(b) *Goodwill impairment assessment*

For the purposes of goodwill impairment assessment, management assessed the impairment of goodwill by determining the recoverable amounts of the CGU based on higher of fair value less costs of disposal ("FVLCOD") and value in use. The goodwill impairment assessment calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Significant judgments and estimates were involved in the goodwill impairment assessment. These significant judgments and estimates include the adoption of appropriate valuation model and methodology and the use of key assumptions in the valuation, which primarily include revenue growth rates, gross profit margins, EBITDA margins, terminal growth rate and discount rates. The use of key assumptions in the fair value calculation primarily includes price-to-earnings ratio, discount for lack of marketability. See note 19 for more details.

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6. Revenue and 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 was principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners, water, electricity and heat supplies and property management services under the state-owned enterprises separation and reform program (hereinafter referred to as “**Three Supplies and Property Management**”), environmental business and commercial operational services in the PRC.

Due to the reorganisation of the business units and change in internal reporting during the fiscal year 2025, the Group identified the following four operating segments, which were used to make strategic decisions by the CODM. The change in segment reporting was reflected retrospectively and is presented in the note 6.

- Property management and related services other than Three Supplies and Property Management business, which include property management services, community value-added services, value-added services to non-property owners and others (the “**Property Management Services Business**”);
- Three Supplies and Property Management business;
- Environmental business (the main businesses of the former city services business), which include sanitation, cleaning and sewage and waste treatment business (the “**Environmental Business**”); and
- Commercial operational services business.

The CODM assesses the performance of the operating segments based on a measure of operating profit, adjusted by excluding realised and unrealised gains from financial assets at FVPL, and including share of results of investments accounted for using the equity method.

Segment assets consist primarily of property, plant and equipment, other right-of-use assets, investment properties, intangible assets, investments accounted for using the equity method, contract assets, inventories, receivables, and operating cash. They exclude deferred income tax assets, financial assets at FVOCI and financial assets at FVPL (exclude the contingent consideration receivables). Segment liabilities consist primarily of operating liabilities. They exclude current and deferred income tax liabilities and bank and other borrowings.

Capital expenditure comprises additions to property, plant and equipment, other right-of-use assets, investment properties and intangible assets, excluding those arising from business combinations.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

6. Revenue and segment information *(Continued)*

Revenue mainly comprises of proceeds from provision of property management services, community value-added services, value-added services to non-property owners, heat supply services, environmental business and commercial operational services. An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 was as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (restated)
Revenue from property management and related services other than Three Supplies and Property Management business		
– Property management services	27,929,626	26,021,931
– Community value-added services	4,416,495	4,208,053
– Value-added services to non-property owners	630,253	705,223
– Other services	135,407	232,918
	33,111,781	31,168,125
Revenue from Three Supplies and Property Management business		
– Property management and other related services	9,578,728	6,539,290
– Heat supply services	1,687,537	1,616,953
	11,266,265	8,156,243
Revenue from environmental business	3,355,305	4,041,529
Revenue from commercial operational services business	620,397	626,992
	48,353,748	43,992,889

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the years ended 31 December 2025 and 2024.

Sales between segments are carried out on terms agreed upon by the respective segments' management.

Nearly 100% of the Group's revenue is attributable to the markets in Chinese Mainland and nearly 100% of the Group's non-current assets are located in Chinese Mainland. No geographical information is therefore presented.

During the year ended 31 December 2025, the five largest customers of the Group accounted for approximately 8.8% (2024: 8.2%) of the total revenue while the largest customer of the Group accounted for approximately 5.1% (2024: 6.6%) of the total revenue.

As at 31 December 2025, the five largest customers mentioned above of the Group accounted for approximately 10.3% (2024: 17.2%) of the total trade receivables while the largest customer mentioned above of the Group accounted for approximately 1.0% (2024: 2.6%) of the total trade receivables.

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FOR THE YEAR ENDED 31 DECEMBER 2025

6. Revenue and segment information *(Continued)*

(a) Contract liabilities

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

	At 31 December	
	2025	2024
	RMB'000	RMB'000 (restated)
Contract liabilities		
Property management services	6,655,706	6,700,127
Community value-added services	492,567	435,230
Value-added services to non-property owners	39,378	110,108
Three Supplies and Property Management		
– Property management and other related services	897,313	226,141
– Heat supply services	640,615	636,948
Environmental business	7,062	5,292
Commercial operational services	145,251	131,469
	8,877,892	8,245,315

As at 1 January 2024, contract liabilities amounted to RMB7,591,490,000.

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Such liabilities increased as a result of the growth of the Group's business during the year.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to brought-forward contract liabilities.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (restated)
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Property management services	6,428,246	5,806,783
Community value-added services	435,230	440,569
Value-added services to non-property owners	110,108	65,084
Three Supplies and Property Management Services		
– Property management and other related services	201,277	145,272
– Heat supply services	636,948	647,074
Environmental business	5,292	7,398
Commercial operational services	131,469	129,484
	7,948,570	7,241,664

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6. Revenue and segment information *(Continued)*

(a) Contract liabilities *(Continued)*

(iii) Unsatisfied performance obligations

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

For community value-added services, they are rendered in short period of time and there is immaterial unsatisfied performance obligation at the end of respective periods.

(iv) Assets recognised from incremental costs to obtain a contract

During the year ended 31 December 2025, there were no incremental costs to obtain a contract (2024: nil).

(b) Segment information

The segment information provided to the CODM for the year ended 31 December 2025 is as follows:

	Year ended 31 December 2025					
	Property management and related services other than Three	Supplies and Property Management business	Three Supplies and Property Management business	Environmental business	Commercial operational services business	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	33,112,584	11,269,903	3,361,642	463,976	48,208,105	
Recognised over time	31,200,331	10,497,017	3,152,809	459,983	45,310,140	
Recognised at a point time	1,912,253	772,886	208,833	3,993	2,897,965	
Revenue from other source	–	–	–	156,733	156,733	
Rental income	–	–	–	156,733	156,733	
Total segment revenue	33,112,584	11,269,903	3,361,642	620,709	48,364,838	
Less: inter-segment revenue	(803)	(3,638)	(6,337)	(312)	(11,090)	
Revenue from external customers	33,111,781	11,266,265	3,355,305	620,397	48,353,748	
Segment results	956,798	130,219	(172,305)	11,854	926,566	

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6. Revenue and segment information (Continued)

(b) Segment information (Continued)

The segment information provided to the CODM for the year ended 31 December 2025 is as follows:
(Continued)

	Year ended 31 December 2025				
	Property management and related services other than Three Supplies and Property Management business RMB'000	Three Supplies and Property Management business RMB'000	Environmental business RMB'000	Commercial operational services business RMB'000	Total RMB'000
Share of results of investments accounted for using the equity method	(49,753)	(10,665)	10,730	—	(49,688)
Depreciation and amortisation charges	1,275,454	201,680	408,139	113,286	1,998,559
Net impairment losses on financial and contract assets	1,312,763	(4,281)	190,147	40,896	1,539,525
Impairment of goodwill and other intangible assets	—	—	968,891	—	968,891
Capital expenditure	1,091,538	258,285	225,676	31,807	1,607,306

	At 31 December 2025				
	Property management and related services other than Three Supplies and Property Management business RMB'000	Three Supplies and Property Management business RMB'000	Environmental business RMB'000	Commercial operational services business RMB'000	Total RMB'000
Segment assets	54,641,653	5,269,948	6,353,569	1,290,968	67,556,138
Investments accounted for using the equity method	338,828	20,916	37,143	—	396,887
Segment liabilities	21,470,516	4,757,772	2,345,410	1,348,490	29,922,188

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6. Revenue and segment information (Continued)

(b) Segment information (Continued)

The segment information provided to the CODM for the year ended 31 December 2024 is as follows:

	Year ended 31 December 2024 (restated)				
	Property management and related services other than Three Supplies and Property Management business RMB'000	Three Supplies and Property Management business RMB'000	Environmental business RMB'000	Commercial operational services business RMB'000	Total RMB'000
Revenue from contracts with customers	31,169,939	8,156,680	4,047,078	491,482	43,865,179
Recognised over time	29,953,170	7,156,915	3,933,814	483,342	41,527,241
Recognised at a point time	1,216,769	999,765	113,264	8,140	2,337,938
Revenue from other source	—	—	—	182,675	182,675
Rental income	—	—	—	182,675	182,675
Total segment revenue	31,169,939	8,156,680	4,047,078	674,157	44,047,854
Less: inter-segment revenue	(1,814)	(437)	(5,549)	(47,165)	(54,965)
Revenue from external customers	31,168,125	8,156,243	4,041,529	626,992	43,992,889
Segment results	2,327,834	83,992	192,018	73,001	2,676,845

	Year ended 31 December 2024 (restated)				
	Property management and related services other than Three Supplies and Property Management business RMB'000	Three Supplies and Property Management business RMB'000	Environmental business RMB'000	Commercial operational services business RMB'000	Total RMB'000
Share of results of investments accounted for using the equity method	(12,616)	(4,127)	5,174	9	(11,560)
Depreciation and amortisation charges	1,363,763	149,838	360,895	114,013	1,988,509
Net impairment losses on financial and contract assets	617,042	9,322	34,805	2,548	663,717
Impairment of goodwill and other intangible assets	—	—	990,000	—	990,000
Capital expenditure	1,331,305	236,244	147,412	418,113	2,133,074

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6. Revenue and segment information (Continued)

(b) Segment information (Continued)

The segment information provided to the CODM for the year ended 31 December 2024 is as follows:
(Continued)

	At 31 December 2024 (restated)				
	Property management and related services other than Three Supplies and Property Management business RMB'000	Three Supplies and Property Management business RMB'000	Environmental business RMB'000	Commercial operational services RMB'000	Total RMB'000
Segment assets	55,827,060	4,066,678	6,517,097	2,576,679	68,987,514
Investments accounted for using the equity method	400,857	105,492	26,898	250	533,497
Segment liabilities	20,558,325	3,674,309	2,394,830	2,371,598	28,999,062

A reconciliation of segment results to profit before income tax is provided as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Segment results	926,566	2,676,845
Realised and unrealised gains/(losses) from financial assets at FVPL (note 8)	53,019	(18,294)
Finance income – net (note 11)	139,044	48,155
Profit before income tax	1,118,629	2,706,706

A reconciliation of segment assets to total assets is provided as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Segment assets	67,556,138	68,987,514
Deferred income tax assets	1,484,150	1,130,244
Financial assets at FVOCI (note 23)	452,401	556,740
Financial assets at FVPL (exclude contingent consideration receivables)	2,347,620	580,033
Total assets	71,840,309	71,254,531

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FOR THE YEAR ENDED 31 DECEMBER 2025

6. Revenue and segment information *(Continued)*

(b) Segment information *(Continued)*

A reconciliation of segment liabilities to total liabilities is provided as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Segment liabilities	29,922,188	28,999,062
Deferred income tax liabilities	1,318,472	1,598,912
Current income tax liabilities	622,333	707,579
Bank and other borrowings	1,626,779	870,256
Total liabilities	33,489,772	32,175,809

(c) Accounting policies of revenue recognition

The Group provides property management services, community value-added services, value-added services to non-property owners, heat supply services, environmental business and commercial operational services. Revenue from providing services is recognised in the accounting period in which the services are rendered. At contract inception, the Group evaluates whether the contracts meet the criteria under HKFRS 15 para 9, especially whether it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group consider the customer's ability and intention to pay that amount of consideration when it is due. If the contract does not meet the criteria at inception, or subsequently a customer's ability to pay the consideration deteriorates significantly and the Group conclude that it is not probable that the Group will collect the consideration to which they will be entitled in exchange for the remaining goods or services that will be transferred to the customer, the Group recognise the consideration received as revenue only if the Group has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable, or the contract has been terminated and the consideration received from the customer is non-refundable. For contract that meets such criteria and revenue is recognised but the corresponding consideration is not yet fully settled at the time, the credit risk of the collection is considered in impairment assessment (note 4.1.1).

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

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

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6. Revenue and segment information *(Continued)*

(c) Accounting policies of revenue recognition *(Continued)*

Value-added services to non-property owners mainly include consultancy services to property developers or other property management companies, cleaning, greening, repair and maintenance services, sales of goods, leasing agency services for unsold parking spaces and properties to property developers at the pre-delivery stage, and agency sales for parking spaces and unsold properties. The Group agrees the price for each service with the customers upfront and issue the monthly bill to the customers which varies based on the actual level of service completed in that month.

Community value-added services mainly include home living services, home decoration intermediate services, real estate brokerage services, community media services, local life services, community area services, insurance brokerage services and sales of goods. Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on the acceptance of the goods by the customer. Revenue from brokerage services is recognised at the point in time when the services are rendered and accepted by the customers. Revenue from the other services is recognised when the related community value-added services are rendered.

Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

Environmental business mainly includes road cleaning services, garbage collection services, waste treatment services and sales of goods. The Group also provides construction services under service concession arrangements. Revenue from the construction services is recognised over time as the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced.

Commercial operational services mainly include tenant management, rent collection services and other value-added services. The Group provides shopping malls, neighborhood centers, commercial blocks, specialised markets and other projects with full-chain services such as business planning consulting, tenant sourcing, operation and planning services, mainly including (i) conducting commercial operation and management of the properties owned by leasing developers or property owners; (ii) providing property market research and positioning services at the investment stage of property developers; (iii) providing market research and positioning, business planning consulting, tenant solicitation and opening preparation services to property developers or owners at the preparation stage before the opening of the properties; and (iv) providing tenant solicitation, operation and management services to property owners or tenants at the stage of property operation.

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

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

7. Other income

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Government subsidy income	108,182	136,369
Dividend income from financial assets at FVOCI	34,839	76,017
Late payment charges	33,479	42,027
	176,500	254,413

8. Other (losses)/gains – net

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Losses on disposals of subsidiaries (note 39)	(91,569)	(38,589)
(Losses)/gains from the change of sublease contracts (a)	(10,950)	78,652
Gains/(losses) on early termination of lease contracts (b)	27,375	(4,861)
Net foreign exchange (losses)/gains	(49,526)	51,251
Realised and unrealised gains/(losses) from financial assets at FVPL	53,019	(18,294)
(Losses)/gains on disposals of investments accounted for using the equity method	(338)	4,009
Losses on disposals of property, plant and equipment, and investment properties	(32,167)	(25,689)
Gains on fair value changes of contingent considerations	7,535	531,876
Others	(93,111)	(93,633)
	(189,732)	484,722

(a) In 2025, the Group signed certain sublease contracts of properties with third parties, and recognised a net loss of RMB10,950,000 (2024: net gain of RMB78,652,000) resulting from the differences of the recognition of finance lease receivables and the derecognition of investment properties.

(b) In 2025, the Group has early terminated certain property lease contracts. Such termination resulted in derecognition of other right-of-use assets of RMB17,461,000 (2024: RMB25,490,000) (note 17), investment properties of RMB578,401,000 (2024: RMB68,846,000), receivables from finance leases of RMB180,599,000 (2024: RMB31,890,000) and lease liabilities of RMB803,836,000 (2024: RMB121,366,000) (note 36(d)), resulting the gains of early termination of lease contracts recognised in other gains of RMB27,375,000 (2024: other losses of RMB4,861,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

9. Net impairment losses on financial and contract assets

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Impairment loss recognised on:		
— trade receivables	1,191,397	525,783
— other receivables	264,814	97,897
— financial guarantee contracts (note 43)	83,314	40,037
	1,539,525	663,717

Details of impairment assessment are set out in note 4.1.1.

10. Employee benefit expenses

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	15,723,622	14,143,110
Housing funds, medical insurances and other social security costs	881,608	844,938
Pension costs – defined contribution plans (a)	675,403	656,043
Share options granted to directors and employee	183,123	123,265
Other benefits	698,601	620,486
	18,162,357	16,387,842

(a) Pension costs – defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate fund. 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 contributes on a monthly basis to various defined contribution benefit plans organised by the relevant governmental authorities. 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. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

10. Employee benefit expenses *(Continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included 2 directors for the year ended 31 December 2025 (2024: 2 directors), whose emoluments are reflected in the analysis shown in note 42. The emoluments payable to the remaining 3 individuals (2024: 3 individuals) are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Basic salaries, housing allowances, share options, other allowances and benefits in kind	25,126	19,258
Contribution to pension scheme	226	155
	25,352	19,413

The emoluments fell within the following bands:

	Year ended 31 December	
	2025	2024
Emolument bands (in HKD)		
4,500,001–5,000,000	–	2
6,000,001–6,500,000	2	–
11,500,001–12,000,000	–	1
14,500,001–15,000,000	1	–
	3	3

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals for the year ended 31 December 2025 (2024: nil).

11. Finance income – net

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income:		
Interest income on bank deposits	246,294	217,255
Interest income on loan receivables from related parties	19,167	–
	265,461	217,255
Finance costs:		
Interest on lease liabilities	(86,649)	(93,989)
Interest on bank and other borrowings	(50,166)	(75,111)
Total borrowing costs	(136,815)	(169,100)
Less: amounts capitalised in the cost of qualifying assets	10,398	–
	(126,417)	(169,100)
Finance income – net	139,044	48,155

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

12. Income tax expense

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax		
— Provision for current income tax	1,162,381	1,280,405
— Over provision in prior years	(25,534)	(36,228)
	1,136,847	1,244,177
Deferred income tax (note 34)		
— Corporate income tax	(627,231)	(415,094)
— Withholding income tax on profits to be distributed in future	10,114	3,115
	(617,117)	(411,979)
	519,730	832,198

(a) Cayman Island income tax

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

(b) Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profit for the year.

(c) 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 corporate income tax rate in PRC is 25%. Certain subsidiaries of the Group in the PRC are either located in western cities or autonomous regions or qualified as “High and New Technology Enterprise” or “Small and Micro Enterprises” subject to a preferential income tax rate of 15% or 5% in certain years.

(d) PRC withholding tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate would be reduced from 10% to 5%. The Company and its intermediate subsidiaries incorporated in the BVI and Hong Kong have successfully obtained Hong Kong Tax Resident Identity certificates and the applicable withholding tax rate has been reduced to 5% accordingly in 2025 and 2024.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

12. Income tax expense (Continued)

- (e) The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable corporate income tax rate of 25%. The difference is analysed as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit before income tax	1,118,629	2,706,706
Less: Share of results of investments accounted for using the equity method	49,688	11,560
	1,168,317	2,718,266
Tax calculated at applicable corporate income tax rate of 25% (2024: 25%)	292,079	679,567
Effects of different tax rates applicable to different subsidiaries of the Group	(85,109)	(160,350)
Income not subject to tax	(1,375)	(12,543)
Expenses not deductible for taxation purposes	243,440	299,801
Unrecognised tax losses	3,828	9,519
Effects of tax rate change on deferred tax	3,826	2,933
Withholding income tax paid	78,461	46,384
Over provision in previous years	(25,534)	(36,228)
	509,616	829,083
Deferred income tax on withholding income tax on profits to be distributed	10,114	3,115
	519,730	832,198

13. Profit for the year

Profit for the year has been arrived for after charging:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Employee benefit expenses (note 10)	18,162,357	16,387,842
Total depreciation and amortisation charges	1,998,559	1,988,509
Cost of inventories recognised as expenses	2,414,429	2,110,091
Rental expenses for short-term and low-value leases	554,925	467,937
Auditor's remuneration		
— Annual audit and interim review services	8,100	8,200
— Non audit services	350	425
	8,450	8,625

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

14. Earnings per share

(a) Basic

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

	Year ended 31 December	
	2025	2024
Profit attributable to the owners of the Company (RMB'000)	601,497	1,808,357
Weighted average number of ordinary shares in issue (thousands shares)	3,334,173	3,338,963
Basic earnings per share (RMB cents)	18.04	54.16

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares arising from the share option schemes (note 32).

For the year ended 31 December 2024, the effect of the share options were anti-dilutive and therefore not included in the calculation of the diluted earnings per share.

	Year ended 31 December	
	2025	2024
Profit attributable to the owners of the Company (RMB'000)	601,497	1,808,357
Weighted average number of ordinary shares in issue (thousands shares)	3,334,173	3,338,963
Adjustments – share options schemes (thousands shares)	17,761	—
Weighted average number of ordinary shares for diluted earnings per share (thousands shares)	3,351,934	3,338,963
Diluted earnings per share (RMB cents)	17.94	54.16

15. Dividends

The final dividend in respect of year ended 31 December 2024 of RMB13.52 cents (equivalent to HKD14.76 cents) per share and a special dividend of RMB16.09 cents (equivalent to HKD17.57 cents) per share, totalling RMB988,945,000. Such final dividend and special dividend have been approved at the Annual General Meeting on 23 May 2025 and was paid in cash on 29 August 2025.

The final dividend in respect of year ended 31 December 2023 of RMB2.19 cents (equivalent to HKD2.41 cents) per share and a special dividend of RMB27.27 cents (equivalent to HKD29.94 cents) per share, totalling RMB984,854,000, has been approved at the Annual General Meeting on 6 June 2024 and was paid in cash on 30 August 2024.

The Board of Directors recommended the payment of a 2025 final dividend of RMB4.62 cents per share and a special dividend of RMB41.80 cents per share, totalling approximately RMB1,511,400,000. Should the total number of issued shares of the Company change between the date of approval of the Group's consolidated financial statements and the record date for determining entitlements of eligible shareholders to the proposed final dividend and special dividend (being 11 June 2026), the Board of Directors recommends that the dividend per share be adjusted accordingly, based on the principle that the total amount of the final dividend and special dividend should be approximately equivalent to and not less than RMB1,511,400,000. Therefore, the final amounts of the final dividend and/or special dividend per share may be adjusted.

The eligible shareholders will be given an option to elect to receive the final dividend and special dividend wholly in new shares, partly in new shares and partly in cash, or wholly in cash ("Scrip Dividend Scheme"). The Scrip Dividend Scheme is conditional upon passing of the resolutions regarding the payment of the final dividend and special dividend at the forthcoming annual general meeting of the Company, and the granting of listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme by the Stock Exchange. These financial statements do not reflect this dividend payable.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

16. Property, plant and equipment

	Machinery RMB'000	Transportation equipment RMB'000	Equipment RMB'000	Buildings RMB'000	Construction in progress RMB'000	Leasehold improvements and others RMB'000	Total RMB'000
At 1 January 2024							
Cost	467,773	1,125,045	454,912	163,179	162,067	527,085	2,900,061
Accumulated depreciation	(182,777)	(402,189)	(334,779)	(15,517)	—	(307,835)	(1,243,097)
Net book amount	284,996	722,856	120,133	147,662	162,067	219,250	1,656,964
Year ended 31 December 2024							
Opening net book amount	284,996	722,856	120,133	147,662	162,067	219,250	1,656,964
Transfer from construction in progress	38,339	—	—	155,801	(194,140)	—	—
Acquisition of subsidiaries	25,923	407	2,418	1,370	—	—	30,118
Additions	63,436	170,164	117,393	36,988	95,734	126,576	610,291
Disposals	(41,204)	(49,869)	(33,835)	—	(1,610)	—	(126,518)
Disposals of subsidiaries	(8,794)	(1,865)	(2,454)	—	—	—	(13,113)
Depreciation	(57,236)	(151,731)	(115,148)	(13,965)	—	(117,180)	(455,260)
Closing net book amount	305,460	689,962	88,507	327,856	62,051	228,646	1,702,482
At 31 December 2024							
Cost	531,217	1,191,463	487,245	357,338	62,051	653,661	3,282,975
Accumulated depreciation	(225,757)	(501,501)	(398,738)	(29,482)	—	(425,015)	(1,580,493)
Net book amount	305,460	689,962	88,507	327,856	62,051	228,646	1,702,482
Year ended 31 December 2025							
Opening net book amount	305,460	689,962	88,507	327,856	62,051	228,646	1,702,482
Transfer from construction in progress	1,856	—	984	6,521	(22,988)	13,627	—
Acquisition of subsidiaries (note 38)	1,483	71,985	5,076	—	—	485	79,029
Additions	40,276	121,059	60,995	14,454	27,818	251,584	516,186
Disposals	(3,505)	(38,464)	(4,485)	(20,434)	—	—	(66,888)
Disposals of subsidiaries	(2,133)	(6)	(725)	—	—	(22,909)	(25,773)
Depreciation	(75,006)	(197,185)	(69,738)	(16,753)	—	(113,222)	(471,904)
Closing net book amount	268,431	647,351	80,614	311,644	66,881	358,211	1,733,132
At 31 December 2025							
Cost	553,178	1,282,051	527,202	352,035	66,881	896,448	3,677,795
Accumulated depreciation	(284,747)	(634,700)	(446,588)	(40,391)	—	(538,237)	(1,944,663)
Net book amount	268,431	647,351	80,614	311,644	66,881	358,211	1,733,132

As at 31 December 2025, transportation equipment with net book amount of RMB127,359,000 (2024: RMB119,476,000) were pledged as collateral for the Group's bank and other borrowings (note 35).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

16. Property, plant and equipment *(Continued)*

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of sales	396,763	382,607
General and administrative expenses	75,141	72,653
	471,904	455,260

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

Buildings	20 years
Machinery	5-15 years
Transportation equipment	5-10 years
Equipment	3-10 years
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter
Others	2-5 years

See note 44.5 for the other accounting policies relevant to property, plant and equipment.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

17. Leases

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

Apart from leased-in investment properties (note 18), the movement of other right-of-use assets is shown as follows:

Other right-of-use assets

	Buildings RMB'000	Transportation equipment RMB'000	Machinery RMB'000	Land use rights RMB'000	Total RMB'000
Year ended 31 December 2025					
Opening net book amount	289,219	20,105	42,812	68,473	420,609
Additions	150,738	20,551	22,917	–	194,206
Disposals of subsidiaries	(26,444)	–	–	–	(26,444)
Early termination of lease contracts	(13,221)	(4,192)	(48)	–	(17,461)
Depreciation	(118,633)	(16,492)	(20,986)	(3,216)	(159,327)
Closing net book amount	281,659	19,972	44,695	65,257	411,583
At 31 December 2025					
Cost	420,394	32,701	76,773	79,219	609,087
Accumulated depreciation	(138,735)	(12,729)	(32,078)	(13,962)	(197,504)
Net book amount	281,659	19,972	44,695	65,257	411,583
Year ended 31 December 2024					
Opening net book amount	339,497	4,351	22,883	59,006	425,737
Additions	204,491	26,498	57,069	11,172	299,230
Transfer to investment properties	(100,971)	–	–	–	(100,971)
Early termination of lease contracts	(15,967)	(223)	(9,300)	–	(25,490)
Depreciation	(137,831)	(10,521)	(27,840)	(1,705)	(177,897)
Closing net book amount	289,219	20,105	42,812	68,473	420,609
At 31 December 2024					
Cost	465,807	26,498	63,308	79,219	634,832
Accumulated depreciation	(176,588)	(6,393)	(20,496)	(10,746)	(214,223)
Net book amount	289,219	20,105	42,812	68,473	420,609

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

17. Leases (Continued)

(a) Amounts recognised in the consolidated statement of financial position (Continued)

The consolidated statement of financial position shows the following amounts relating to lease liabilities:

Lease liabilities

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	179,159	203,650
Within a period of more than one year but not more than two years	179,471	201,669
Within a period of more than two years but not more than five years	312,691	496,562
Within a period of more than five years	495,163	1,028,078
	1,166,484	1,929,959
Less: Amount due for settlement within 12 months shown under current liabilities	(179,159)	(203,650)
Amount due for settlement after 12 months shown under non-current liabilities	987,325	1,726,309

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation charge of other right-of-use assets		
Buildings	118,633	137,831
Land use rights	3,216	1,705
Machinery	20,986	27,840
Transportation equipment	16,492	10,521
	159,327	177,897
Expense relating to short-term leases and leases of low-value assets (included in 'Cost of sales' and 'General and administrative expenses')	554,925	467,937
Interest expense (included in 'Finance costs')	86,649	93,989

The total cash outflow for leases in the year ended 31 December 2025 was RMB838,364,000 (2024: RMB805,850,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

17. Leases *(Continued)*

(c) As at 31 December 2025, land use rights with net book amount of RMB52,640,000 (2024:nil) were pledged as collateral for the Group's bank and other borrowings (note 35).

(d) The Group's leasing activities and how these are accounted for

The Group leases various buildings, transportation equipment and machinery. Rental contracts are typically made for fixed periods of 1 to 20 years without extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(e) Accounting policies of leases

Leases are recognised as a right-of-use asset, a receivable (for subleased-out under finance leases) and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

17. Leases *(Continued)*

(e) Accounting policies of leases *(Continued)*

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- the amount of the initial measurement of lease liabilities.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets mainly comprise electronic equipment and vehicles.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

18. Investment properties

	Land and buildings RMB'000	Right-of-use assets RMB'000	Total RMB'000
Year ended 31 December 2025			
Opening net book amount	216,927	1,480,897	1,697,824
Additions	466,349	217,091	683,440
Disposals	(11,664)	(680,331)	(691,995)
Depreciation	(28,774)	(134,271)	(163,045)
Net book amount	642,838	883,386	1,526,224
Year ended 31 December 2024			
Opening net book amount	132,828	1,172,174	1,305,002
Additions	144,575	593,204	737,779
Transfer from other right-of-use assets	—	100,971	100,971
Disposals	(47,224)	(271,171)	(318,395)
Depreciation	(13,252)	(114,281)	(127,533)
Net book amount	216,927	1,480,897	1,697,824

- (a) For the year ended 31 December 2025, the additions of right-of-use assets comprised of leases in commercial properties with lease term periods of 2-20 years (2024: 2-20 years).
- (b) Fair value disclosure and fair value hierarchy

As at 31 December 2025, the fair values of the investment properties approximated to RMB1,645,417,000 (2024: RMB2,066,790,000). As certain of significant inputs used in the determination of fair value of investment properties are arrived at by reference to certain significant unobservable market data, the fair value of all investment properties of the Group is included in level 3 of the fair value measurement hierarchy.

- (c) Fair value measurement processes of the Group

The Group's investment properties were valued as at 31 December 2025, by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent and professionally qualified valuer who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

Discussions of valuation processes and results are held between management and the valuers on an annual basis, in line with the Group's annual reporting date.

At each financial year end, the management:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuation movements when compared to the prior year valuation report; and
- Holds discussions with the independent valuer.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

18. Investment properties *(Continued)*

(d) Valuation techniques

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

Valuation techniques	Unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
		2025	2024	
Income approach	Term yields	3.5%-7.0%	3.5%-7.0%	The higher the term yields, the lower the fair value
	Reversionary yields	4.0%-7.5%	4.5%-7.0%	The higher the reversionary yields, the lower the fair value
	Market rents	RMB15-144 per square meter per month	RMB15-242 per square meter per month	The higher the market rents, the higher the fair value

(e) Accounting policies of investment properties

Investment properties are held for long-term rental yields or for capital appreciation or both and are not occupied by the Group. Commercial properties held under leases held for rental yields and are not occupied by the Group are recognised as investment properties.

The Group measured its investment properties at cost, including related transaction costs. Depreciation is calculated using the straight-line method to allocate their cost over their useful life or lease term varying from 2 to 20 years.

If an item of owner-occupied property becomes an investment property because its use has changed, the carrying amount of the item at the date of transfer is equal to the carrying amount of the investment property measured by the cost model.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Intangible assets

	Software RMB'000 (ii)	Contracts and customer relationships RMB'000 (iii)	Insurance brokerage license RMB'000 (iv)	Brand RMB'000 (v)	Concession intangible assets RMB'000 (vi)	Total other intangible assets RMB'000	Goodwill RMB'000 (vii)	Total RMB'000
At 1 January 2024								
Cost	665,833	7,016,815	28,663	2,128,394	668,420	10,508,125	19,639,425	30,147,550
Accumulated amortisation	(180,074)	(2,166,999)	(8,866)	(588,331)	(59,003)	(3,003,273)	–	(3,003,273)
Accumulated impairment	–	(8,456)	–	(1,888)	–	(10,344)	(3,206,624)	(3,216,968)
Net book amount	485,759	4,841,360	19,797	1,538,175	609,417	7,494,508	16,432,801	23,927,309
Year ended 31 December 2024								
Opening net book amount	485,759	4,841,360	19,797	1,538,175	609,417	7,494,508	16,432,801	23,927,309
Additions	72,540	400,001	–	–	13,233	485,774	–	485,774
Acquisition of subsidiaries	65	43,963	–	–	–	44,028	76,802	120,830
Amortisation	(74,101)	(866,892)	(2,475)	(240,583)	(43,768)	(1,227,819)	–	(1,227,819)
Disposals	(5,226)	–	–	–	–	(5,226)	–	(5,226)
Disposal of subsidiaries	–	(51,758)	–	–	–	(51,758)	(96,797)	(148,555)
Impairment	–	–	–	–	–	–	(990,000)	(990,000)
Closing net book amount	479,037	4,366,674	17,322	1,297,592	578,882	6,739,507	15,422,806	22,162,313
At 31 December 2024								
Cost	730,092	7,377,702	28,663	2,128,394	681,327	10,946,178	19,479,477	30,425,655
Accumulated amortisation	(251,055)	(3,002,572)	(11,341)	(828,914)	(102,445)	(4,196,327)	–	(4,196,327)
Accumulated impairment	–	(8,456)	–	(1,888)	–	(10,344)	(4,056,671)	(4,067,015)
Net book amount	479,037	4,366,674	17,322	1,297,592	578,882	6,739,507	15,422,806	22,162,313
Year ended 31 December 2025								
Opening net book amount	479,037	4,366,674	17,322	1,297,592	578,882	6,739,507	15,422,806	22,162,313
Additions	66,742	70,999	–	–	75,733	213,474	–	213,474
Acquisition of subsidiaries (note 38)	1,333	–	–	–	895	2,228	–	2,228
Amortisation	(84,020)	(814,653)	(2,475)	(271,295)	(31,840)	(1,204,283)	–	(1,204,283)
Disposals	(1,236)	–	–	–	–	(1,236)	–	(1,236)
Disposal of subsidiaries	–	–	–	–	–	–	(6,564)	(6,564)
Impairment	–	–	–	–	–	–	(968,891)	(968,891)
Closing net book amount	461,856	3,623,020	14,847	1,026,297	623,670	5,749,690	14,447,351	20,197,041
At 31 December 2025								
Cost	796,884	7,448,701	28,663	2,128,394	757,955	11,160,597	19,472,913	30,633,510
Accumulated amortisation	(335,028)	(3,817,225)	(13,816)	(1,100,209)	(134,285)	(5,400,563)	–	(5,400,563)
Accumulated impairment	–	(8,456)	–	(1,888)	–	(10,344)	(5,025,562)	(5,035,906)
Net book amount	461,856	3,623,020	14,847	1,026,297	623,670	5,749,690	14,447,351	20,197,041

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Intangible assets *(Continued)*

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of sales	1,120,263	1,153,718
General and administrative expenses	84,020	74,101
	1,204,283	1,227,819

(i) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Software	3-10 years
Contracts and customer relationships	6-9 years
Insurance brokerage license	12 years
Brand	5-12 years
Concession intangible assets	5-29 years

(ii) Software

Acquired software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining software programmes are recognised as an expense as incurred.

(iii) Contracts and customer relationships

Contracts and customer relationships acquired in business combinations and subsequent asset acquisitions are recognised at fair value at the acquisition date. The contracts and customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment.

(iv) Insurance brokerage license

Insurance brokerage license acquired in the business combination is recognised at fair value at the acquisition date. It has a finite useful life and is subsequently carried at cost less accumulated amortisation.

(v) Brand

Brand acquired in the business combination is recognised at fair value at the acquisition date. It has a finite useful life and is subsequently carried at cost less accumulated amortisation and impairment.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Intangible assets *(Continued)*

(vi) Concession intangible assets

When the Group has entered into contractual service concession arrangements with local government authorities for its participation in the municipal sanitation public infrastructure construction business, the Group carries out the construction or upgrade work of municipal sanitation public infrastructures for the granting authorities and receives in exchange of a right to operate the public infrastructures concerned. Concession intangible assets correspond to the right granted by the respective concession grantors to the Group to charge users of the sanitation services and the fact that the concession grantors (the respective local governments) have not provided any contractual guarantees in respect of the amounts of construction costs incurred to be recoverable.

(vii) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to CGU for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Goodwill of RMB14,447,351,000 (2024: RMB15,422,806,000) has been allocated to the respective CGU for impairment testing. Management performed an impairment assessment on the goodwill as at 31 December 2025 and 2024, respectively.

The goodwill (net book amount) is allocated in CGUs as follows:

	At 31 December 2025 RMB'000	2024 RMB'000
Property Management Services Business Operating Segment		
Country Garden Life Services CGU ("Life Services")	6,457,224	6,380,422
Wealth Best Global CGU ("Wealth Best Global")	3,567,263	3,567,263
Link Joy Holdings Group CGU ("Link Joy")	3,233,591	3,233,591
Other CGUs	706,967	790,333
	13,965,045	13,971,609
Three Supplies and Property Management Business Operating Segment – others	3,465	3,465
Environmental Business Operating Segment		
Country Garden Manguo Environmental Technology Group CGU ("Manguo")	—	968,891
Commercial Operational Services Business Operating Segment – others	478,841	478,841
	14,447,351	15,422,806

19. Intangible assets *(Continued)*

(vii) Goodwill *(Continued)*

Integration of CGUs and goodwill reallocation

During the year ended 31 December 2025, there has been a change in the identified CGU resulting from the integration of Sichuan Hemeng Property Management Co., Limited (“Sichuan Hemeng”) into Life Services CGU in order to improve operation efficiency. Both Sichuan Hemeng CGU and Life Services CGU are within the Property Management Services Business operating segment. Accordingly, goodwill originally along with Sichuan Hemeng CGU is reallocated into Life Services CGU for goodwill impairment assessment purpose. Management expected that the benefit of expected synergies of Sichuan Hemeng CGU shall be achieved from integrating it into the Group’s existing property management services under Life Services CGU. Such integration resulted in the reallocation of goodwill as there has been a change to the way in which goodwill is monitored internally.

During the year ended 31 December 2024, Sichuan Justbon Life Services CGU (“Justbon Services”) was integrated into Life Services CGU and the goodwill originally along with Justbon Services CGU is reallocated into Life Services CGU. Both Justbon Services CGU and Life Services CGU are within the Property Management operating segment.

Impairment tests on goodwill

The recoverable amount of a CGU is determined based on the higher of value in use and the FVLCOB.

For the year ended 31 December 2025

As at 31 December 2025, management recalculated the recoverable amounts of all CGUs. The recoverable amount results of CGUs other than Manguo was assessed to exceed their carrying amounts as at 31 December 2025.

Impairment of Manguo CGU

During the year ended 31 December 2025, management of the Group reassessed the key assumptions for impairment testing of goodwill of Manguo and considered that the prolonged payment cycle of certain customers of Manguo and the operating cash flows still lacked significant improvement. The Group adjusted its business strategy in 2025 and strategically scaled back relevant businesses accordingly, which would further result to a decrease in the recoverable amount of Manguo. According to the management’s estimation of the recoverable amount of Manguo with the assistance of an independent valuer, which was calculated based on its value in use that was assessed to be higher than its FVLCOB, impairment of goodwill and other intangible assets of approximately RMB968,891,000 were recognised for Manguo, resulting in a reduction in the carrying amount of the goodwill of Manguo to nil.

As at 31 December 2025, management reassessed the key assumptions for impairment testing of goodwill of the other CGUs. Based on the assessment, the Group considered that no additional material impairment of goodwill was required.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Intangible assets *(Continued)*

(vii) Goodwill *(Continued)*

Impairment tests on goodwill *(Continued)*

For the year ended 31 December 2024

As at 31 December 2024, management recalculated the recoverable amounts of all CGUs. The recoverable amount results of CGUs other than Manguo was assessed to exceed their carrying amounts as at 31 December 2024.

Impairment of Manguo CGU

During the year ended 31 December 2024, management of the Group reassessed the key assumptions for impairment testing of goodwill of Manguo and considered that Manguo's business expansion in previous years has not been carried out as scheduled and some existing business has been adjusted, leading to declines in revenues and profits, and the long payment period of some customers of Manguo resulted in unsatisfactory cash flows. Moreover, these adverse effects are expected to remain for a period of time other than temporary. According to the management's estimation of the recoverable amount of Manguo with the assistance of an independent valuer, which was calculated based on its value in use that was assessed to be higher than its FVLCOB, impairment of goodwill and other intangible assets of approximately RMB990,000,000 were recognised for Manguo, resulting in a reduction in the carrying amount of the goodwill of Manguo to RMB968,891,000.

As at 31 December 2024, management reassessed the key assumptions for impairment testing of goodwill of the other CGUs. Based on the assessment, the Group considered that no additional material impairment of goodwill was required.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Intangible assets *(Continued)*

(vii) Goodwill *(Continued)*

Impairment tests on goodwill *(Continued)*

For the year ended 31 December 2024 (Continued)

Impairment of Manguo CGU *(Continued)*

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

	Wealth Best Global	Link Joy	Manguo	Life Services	Other CGUs
2025					
Revenue growth rates during the projection period	3.0%	3.0%	5.0%	3.0%	3.0%
Gross profit margins during the projection period	26.5%	33.7%	12.4%	22.5%	15.1%-25.6%
EBITDA margins during the projection period	17.2%	25.4%	10.6%	11.5%	5.3%-12.8%
Terminal growth rate	2.0%	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rates	17.3%	17.3%	14.5%	17.1%	16.0%-19.8%
2024					
Revenue growth rates during the projection period	3.0%	3.0%	5.4%	3.0%	3.0%-4.9%
Gross profit margins during the projection period	30.1%	32.9%	19.4%	20.9%	13.4%-46.5%
EBITDA margins during the projection period	21.1%	26.0%	15.2%	9.7%	8.2%-39.6%
Terminal growth rate	2.0%	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rates	17.8%	17.7%	14.8%	17.5%	18.1%-20.2%

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Intangible assets *(Continued)*

(vii) Goodwill *(Continued)*

Impairment tests on goodwill *(Continued)*

The recoverable amounts and the headrooms available (the excess of the recoverable amounts over the carrying amounts) of the respective CGU are as follows:

	Wealth Best Global RMB'000	Link Joy RMB'000	Manguo RMB'000	Life Services RMB'000
At 31 December 2025				
Recoverable amount	6,924,000	7,717,000	1,737,000	34,719,000
Headroom	1,002,161	2,001,959	—	27,251,045
At 31 December 2024				
Recoverable amount	7,723,000	8,006,000	3,314,000	37,730,000
Headroom	1,905,224	2,756,800	—	29,151,600

The recoverable amount of the respective CGU would equal its carrying amount if the key assumptions were to change as follows:

	At 31 December 2025					
	Wealth Best Global		Link Joy		Life Services	
	From	To	From	To	From	To
Revenue growth rates during the projection period	3.0%	-2.2%	3.0%	-6.8%	3.0%	-28.9%
Gross profit margins during the projection period	26.5%	22.0%	33.7%	22.8%	22.5%	4.8%
EBITDA margins during the projection period	17.2%	12.7%	25.4%	14.5%	11.5%	-6.2%
Terminal growth rate	2.0%	-2.6%	2.0%	-8.9%	2.0%	N/A*
Pre-tax discount rates	17.3%	22.3%	17.3%	27.0%	17.1%	N/A*

	At 31 December 2024					
	Wealth Best Global		Link Joy		Life Services	
	From	To	From	To	From	To
Revenue growth rates during the projection period	3.0%	-5.7%	3.0%	-10.9%	3.0%	-30.2%
Gross profit margins during the projection period	30.1%	20.9%	32.9%	17.4%	20.9%	5.6%
EBITDA margins during the projection period	21.1%	11.9%	26.0%	10.6%	9.7%	-5.6%
Terminal growth rate	2.0%	-7.9%	2.0%	N/A*	2.0%	N/A*
Pre-tax discount rates	17.8%	28.4%	17.7%	N/A*	17.4%	N/A*

* Reasonable change of the factors will not lead to the recoverable amount lower than the carrying value of the CGU.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

20. Subsidiaries

The following is a list of principal subsidiaries at 31 December 2025. Among these subsidiaries registered under PRC law, Country Garden Life Services Group Co. Ltd. (碧桂園生活服務集團股份有限公司), Ganglian Real Estate Services (China) Co., Ltd. (港聯不動產服務(中國)股份有限公司) and Sichuan Justbon Services Group Co. Limited (四川嘉寶生活服務集團股份有限公司) are joint stock companies with limited liabilities, and Shenzhen Happy Vientiane Investment Partnership (Limited Partnership) (深圳市幸福萬象投資合夥企業(有限合夥)) is a limited partnership, and the other subsidiaries are limited liability companies:

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2025	2024	2025	2024	
Directly held by the Company:							
<i>Incorporated in the BVI and operates in Chinese Mainland:</i>							
United Gain Group Ltd. (集裕集團有限公司)	28 March 2006	USD200	100%	100%	—	—	Investment holding
Ornate Forest Limited (繁森有限公司)	07 July 2017	USD50,000	100%	100%	—	—	Investment holding
Indirectly held by the Company:							
<i>Incorporated in Hong Kong and operates in Hong Kong:</i>							
Country Garden Property Services HK Holdings Company Limited (碧桂園物業香港控股有限公司)	05 February 2018	HKD1	100%	100%	—	—	Investment holding
<i>Incorporated in the BVI and operates in Chinese Mainland:</i>							
Sino Estate Holdings Limited	06 November 2003	HKD780	100%	100%	—	—	Investment holding
Wealth Best Global Holdings Group Company Limited (富良環球有限公司)	10 December 1998	USD1	100%	100%	—	—	Property management and related services
<i>Incorporated in the Cayman Islands and operates in Chinese Mainland:</i>							
Link Joy Holdings Group Co., Limited (鄰里樂控股集團有限公司)	16 June 2015	USD2	100%	100%	—	—	Investment holding
Country Garden Services Business Management Holdings Limited (碧桂園服務商業管理控股有限公司)	13 July 2021	—	100%	100%	—	—	Investment holding
<i>Established and operates in Chinese Mainland:</i>							
Country Garden Life Services Group Co. Ltd. (碧桂園生活服務集團股份有限公司)	19 April 2004	RMB360,000,000	100%	100%	—	—	Property management and related services
Country Garden City Light Intelligent Property Services Co., Ltd. (碧桂園城市之光智慧物業服務有限公司)	15 December 1998	RMB19,390,000	51%	51%	49%	49%	Property management and related services

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FOR THE YEAR ENDED 31 DECEMBER 2025

20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2025	2024	2025	2024	
Indirectly held by the Company:							
<i>(Continued)</i>							
<i>Established and operates in Chinese Mainland: (Continued)</i>							
Beijing Shengshi Property Services Company Limited (北京盛世物業服務有限公司)	24 April 1999	RMB10,000,000	100%	100%	—	—	Property management and related services
Jiangxi Bicheng Jiejia Property Service Co., Ltd. (formerly Jiangxi Country Garden Jiejia Property Service Co., Ltd.) (江西碧城潔佳物業服務有限公司 (曾用名:江西碧桂園潔佳物業服務有限公司))	18 February 1993	RMB10,000,000	100%	100%	—	—	Property management and related services
Shanghai Ruijing Industrial Company Limited (上海睿靖實業有限公司)	5 January 2018	RMB26,620,000	100%	100%	—	—	Property management and related services
Hainan Sailai Borui Property Services Company Limited (海南賽萊柏瑞物業服務有限公司)	12 April 2012	RMB5,000,000	100%	100%	—	—	Property management and related services
Guangdong Country Garden Huimin Property Services Company Limited (廣東碧桂園惠民物業服務有限公司)	09 January 2017	RMB5,100,000	100%	100%	—	—	Property management and related services
Xingong Xiamen Property Management Services Company Limited (新工(廈門)物業管理服務有限公司)	30 April 2003	RMB9,132,250	100%	100%	—	—	Property management and related services
Suzhou Industrial Park CPG Facilities Management Co., Ltd. (蘇州碧桂園碧新物業管理服務有限公司)	14 December 2001	RMB5,000,000	100%	100%	—	—	Property management and related services
Fenghuang Hui Information Technology Co., Ltd. (鳳凰匯信息科技有限公司)	18 January 2018	RMB30,580,000	100%	100%	—	—	E-commerce
Guangdong Bichuang Asset Operation Co., Ltd. (廣東碧創資產運營有限公司)	18 January 2004	RMB5,000,000	100%	100%	—	—	Property management and related services
Shanghai Lianyuan Property Development Company Limited (上海聯源物業發展有限公司)	20 November 1995	RMB10,000,000	100%	100%	—	—	Property intermediary services
Inner Mongolia Renhe Services Company Limited (內蒙古仁和服務有限責任公司)	18 November 1999	RMB14,008,340	85%	85%	15%	15%	Property management and related services
Suzhou Wuyuan Property Management Company Limited (蘇州物源物業管理有限公司)	22 March 2007	RMB5,000,000	100%	95%	—	5%	Property management and related services
Zhejiang Country Garden Bijia Property Service Co., Ltd. (浙江碧桂園碧嘉物業服務有限公司)	24 January 2002	RMB50,000,000	100%	100%	—	—	Property management and related services

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2025	2024	2025	2024	
Indirectly held by the Company:							
<i>(Continued)</i>							
<i>Established and operates in Chinese Mainland: (Continued)</i>							
Shanghai Mingjun Property Management Company Limited (上海明君物業管理有限公司)	31 May 1996	RMB5,150,000	100%	100%	—	—	Property management and related services
Ganglian Real Estate Services (China) Co., Ltd. (i) (港聯不動產服務(中國)股份有限公司)	05 August 1999	RMB60,000,000	100%	100%	—	—	Property management and related services
Baoshihua Home Life Services Group Co., Ltd. (寶石花家園生活服務集團有限公司)	12 September 2018	RMB420,000,000	65%	65%	35%	35%	Investment holding
Baoshihua Property Management Company Limited (寶石花物業管理有限公司)	26 October 2018	RMB308,111,060	51%	51%	49%	49%	Property management and related services
Baoshihua Energy Technology Co., Ltd. (formerly known as Baoshihua Tong Fang Energy Technology Company Limited) (寶石花能源科技有限公司) (曾用名:寶石花同方能源科技有限公司)	27 December 2018	RMB122,950,000	70%	70%	30%	30%	Property management, heat supply and related services
Baoshihua Heat Company Limited (寶石花熱力有限公司)	07 January 2019	RMB150,000,000	65%	65%	35%	35%	Heat supply services
Daqing Baoshihua Heat Company Limited (大慶寶石花熱力有限公司)	18 January 2019	RMB30,000,000	100%	100%	—	—	Heat supply services
Fujian Dongfei Environment Group Co., Ltd. (i) (福建東飛環境集團有限公司)	11 January 2013	RMB133,333,333	67.5%	67.5%	32.5%	32.5%	Environmental business
Manguo (i) (碧桂園滿國環境科技集團有限公司)	26 March 2015	RMB50,500,000	70%	70%	30%	30%	Environmental business
Shanghai Jinchen Property Management Co., Ltd. (上海金晨物業經營管理有限公司)	20 February 1998	RMB10,000,000	100%	100%	—	—	Property management and related services
Guangdong Country Garden Life Service Co., Ltd. (廣東碧桂園生活服務有限公司)	20 December 2019	RMB2,000,000	100%	100%	—	—	Property management and related services
Guangdong Lexiang Life Family Service Co., Ltd. (廣東樂享生活家庭服務有限公司)	30 April 2015	RMB300,000	100%	100%	—	—	Property management and related services
Chongqing Caizhixin Smart Life Services Group Limited (formerly Caixin Smart Life Services Group Limited) ("Caizhixin Services") (重慶財智信智慧生活服務集團有限公司(曾用名:財信智慧生活服務集團有限公司)) (「財智信」)	01 November 2006	RMB200,000,000	100%	100%	—	—	Property management and related services

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20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2025	2024	2025	2024	
Indirectly held by the Company:							
<i>(Continued)</i>							
<i>Established and operates in Chinese Mainland: (Continued)</i>							
Guizhou Shunhui Business Management Co., Ltd. (貴州順暉商業管理有限公司)	29 January 2021	RMB9,300,000	100%	100%	—	—	Commercial complex management services
Zhuhai Shunhui Business Management Co., Ltd. (珠海順暉商業管理有限公司)	22 January 2021	RMB10,000,000	100%	100%	—	—	Commercial complex management services
Shenzhen Zehui Apartment Management Co., Ltd. (深圳澤暉公寓管理有限公司)	04 March 2021	RMB2,760,000	100%	100%	—	—	Property intermediary services
Guiyang Southwest International Trade City Management Co., Ltd. (貴陽西南國際商貿城經營管理有限公司)	04 September 2012	RMB50,000,000	100%	100%	—	—	Property management and related services
Hainan Dehui Technology Management Service Co., Ltd. (海南德暉科技管理服務有限公司)	23 April 2021	RMB10,000,000	100%	100%	—	—	Information system integration services
Guangdong Shunhui Business Management Co., Ltd. (廣東順暉商業管理有限公司)	20 January 2021	RMB25,500,000	100%	85%	—	15%	Commercial complex management services
Foshan Dehui Business Management Co., Ltd. (佛山德暉商業管理有限公司)	08 March 2021	RMB1,000,000	100%	100%	—	—	Commercial complex management services
Guangdong Zehui Housing Rental Development Investment Co., Ltd. (廣東澤暉住房租賃發展投資有限公司)	26 January 2021	RMB10,000,000	100%	100%	—	—	Property intermediary services
Suzhou Xinbiyuan Business Management Co., Ltd. (蘇州新碧園商業管理有限公司)	01 August 2018	RMB3,000,000	—	100%	—	—	Property intermediary services and commercial complex management services
Guangzhou Zhihui Business Management Co., Ltd. (廣州智暉商業管理有限公司)	26 February 2021	RMB1,000,000	100%	100%	—	—	Commercial complex management services
Sichuan Justbon Life Services Group Co., Ltd. (四川嘉寶生活服務集團股份有限公司)	07 December 2000	RMB178,102,160	99.71%	99.71%	0.29%	0.29%	Property management and related services
Chongqing Jiabao Management Consulting Co., Ltd. (重慶嘉寶管理顧問有限公司)	14 July 2008	RMB5,000,000	99.25%	99.25%	0.75%	0.75%	Property management and related services
Guangzhou Tianli Property Service Co., Ltd. (廣州天力物業發展有限公司)	10 December 1997	RMB610,000,000	100%	100%	—	—	Property management and related services
Guangzhou Fuxing Investment Consulting Co., Ltd. (i) (廣州富星投資諮詢有限公司)	11 December 2019	RMB310,000,000	100%	100%	—	—	Consulting services

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20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2025	2024	2025	2024	
Indirectly held by the Company:							
<i>(Continued)</i>							
<i>Established and operates in Chinese Mainland: (Continued)</i>							
Guangzhou Fulin Commercial Operation Co., Ltd. (廣州富鄰商業運營有限公司)	15 June 2020	RMB20,000,000	100%	100%	—	—	Commercial complex management services
Beijing Hengfu Property Service Co., Ltd. (北京恒富物業服務有限公司)	11 December 2002	RMB5,000,000	100%	100%	—	—	Property management and related services
Guangdong Surplus Equity Investment Fund Management Co., Ltd. (廣東盈盛產業投資有限責任公司)	04 May 2015	RMB10,000,000	100%	100%	—	—	Investment holding
Guangdong Fenghuangdaoia Vocational Skill Training School Co., Ltd. (廣東鳳凰到家職業技能培訓學校有限公司)	31 December 2019	RMB10,000,000	—	70%	—	30%	Skill training services
Wenjin International Insurance Broker Co., Ltd. (文津國際保險經紀有限公司)	08 November 2007	RMB50,000,000	100%	100%	—	—	Insurance services
Guangdong Bi'An Security Service Co., Ltd. (廣東碧安保安服務有限公司)	19 June 2020	RMB10,000,000	100%	100%	—	—	Security services
Guangdong Bi'An Electromechanical Engineering Co., Ltd. (廣東碧安機電工程有限公司)	09 May 2020	RMB10,000,000	100%	100%	—	—	Construction and installation services
Tianjin TEDA City Investment Property Management Co., Ltd. (天津泰達城投物業管理有限公司)	24 February 2004	RMB10,382,000	70%	70%	30%	30%	Property intermediary services
Shenzhen Biguiyuan Shengfu Real Estate Services Co., Ltd. (深圳碧桂園盛孚物業服務有限公司)	16 August 1995	RMB15,000,000	100%	100%	—	—	Property management and related services
Haikou Xinhuazhengda Airport Services Co., Ltd. (海口新華正達空港服務有限公司)	02 November 1994	RMB13,200,000	100%	100%	—	—	Property management and related services
Guangdong Meifang Zhigao Robot Co., Ltd. (廣東美房智高機器人有限公司)	18 January 2021	RMB20,000,000	100%	100%	—	—	Science and technology promotion and application services
Henan Guangxin Advertising Co., Ltd. (河南廣新廣告有限公司)	14 January 2005	RMB19,030,000	60%	60%	40%	40%	Advertising services
Anhui Chenghe Property Service Co., Ltd. (安徽誠和物業服務有限公司)	26 August 2008	RMB20,000,000	100%	100%	—	—	Property management and related services
Shenzhen Country Garden Business Management Co., Ltd. (深圳碧桂園商業管理有限公司)	22 February 2016	RMB50,000,000	50%*	50%*	50%	50%	Property intermediary services and Commercial complex management services

* The Group has 50% ownership interest and voting rights in Shenzhen Country Garden Business Management Co., Ltd. ("Shenzhen Business Management"). By considering that the Group has dominant voting rights to direct the relevant activities of Shenzhen Business Management unilaterally, the directors of the Company conclude that the Group control over Shenzhen Business Management and consolidate it as its subsidiary.

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20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2025	2024	2025	2024	
Indirectly held by the Company:							
<i>(Continued)</i>							
<i>Established and operates in Chinese Mainland: (Continued)</i>							
Tianjin Blue Ray Quanwei Business Management Co., Ltd. (天津藍光全維商業管理有限公司)	19 October 2020	RMB10,000,000	100%	100%	—	—	Commercial complex management services
Shenzhen Jiaxin Consulting Service Co., Ltd. (深圳市嘉信諮詢服務有限公司)	16 June 2016	RMB204,000,000	100%	100%	—	—	Consulting services
Shenzhen Happy Vientiane Investment Partnership (Limited Partnership) (深圳市幸福萬象投資合夥企業(有限合夥))	11 April 2014	RMB1,982,000,000	100%	100%	—	—	Investment holding
Wanxiangmei Property Management Co., Ltd. (萬象美物業管理有限公司)	08 May 2015	RMB50,100,000	100%	100%	—	—	Property management and related services
Shenzhen Kaiyuan International Real Estate Management Co., Ltd. (深圳市開元國際物業管理有限公司)	19 October 2000	RMB50,000,000	100%	100%	—	—	Property management and related services
Chongqing Degu Trading Co., Ltd. (重慶得固商貿有限公司)	04 May 2014	RMB10,000,000	100%	100%	—	—	Property intermediary services
Hainan Zhaonan Property Service Co., Ltd. (海南兆南物業服務有限公司)	07 June 2000	RMB15,000,000	70%	70%	30%	30%	Property management and related services
Yangpu Chengyi Property Management Co., Ltd. (i) (洋浦誠益物業管理有限公司)	25 April 2019	RMB500,000	100%	100%	—	—	Property intermediary services
Beijing Guorui Real Estate Management Co., Ltd. (北京國瑞物業服務有限公司)	12 April 2002	RMB25,000,000	100%	100%	—	—	Property management and related services
Chengdu Dongjing Property Management Company Limited (成都市東景物業管理有限公司)	15 October 2003	RMB5,500,000	100%	100%	—	—	Property management and related services
Shanghai Zhongliang Property Development Co., Ltd. (上海中梁物業發展有限公司)	15 December 2016	RMB130,000,000	100%	100%	—	—	Property management and related services
Wuhan Quanpu Culture Communication Co., Ltd. (武漢圈譜文化傳播有限公司)	01 June 2017	RMB6,250,000	60%	60%	40%	40%	Advertising services

(i) Registered as foreign investment enterprises under PRC law.

(ii) None of the subsidiaries had issued any debt securities at the end of the year.

The English names of the subsidiaries represent the best efforts made by the management of the Group in translating their Chinese names as they do not have official English names.

The above list included subsidiaries having material impact on the annual results or net assets of the Group.

The directors of the Company consider that none of the non-controlling interests of the individual subsidiaries was significant to the Group and thus the individual financial information of these subsidiaries was not disclosed in this section.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

21. Investments accounted for using the equity method

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At 1 January	533,497	600,367
Additions	12,307	10,411
Share of results	(49,688)	(11,560)
Disposals	(2,819)	(35,923)
Disposals of investments by disposal of subsidiaries	—	(3,177)
Dividends received	(17,398)	(8,375)
Dividends declare	—	(4,254)
Acquisition of subsidiaries	—	326
Acquisition of additional equity interests and become subsidiaries (note 38)	(79,012)	(14,318)
At 31 December	396,887	533,497

The directors of the Company consider that none of these investments as at 31 December 2025 was significant to the Group and thus the individual financial information of the investments accounted for using the equity method was not disclosed.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

22. Financial instruments by category

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets at amortised cost:		
Trade and other receivables excluding prepayments	23,338,642	21,352,573
Cash and cash equivalents	11,851,493	15,337,225
Restricted bank deposits	1,048,222	560,016
Time deposits	3,979,196	2,281,361
	40,217,553	39,531,175
Financial assets at FVPL:		
Wealth management products	1,291,319	580,033
Structure products	1,052,067	—
Currency forward contracts	4,234	—
	2,347,620	580,033
Contingent consideration receivables	289,458	298,508
	2,637,078	878,541
Financial assets at FVOCI	452,401	556,740
	43,307,032	40,966,456
Financial liabilities at amortised cost:		
Bank and other borrowings	1,626,779	870,256
Trade and other payables excluding contingent considerations and non-financial liabilities	15,798,490	14,655,457
Lease liabilities	1,166,484	1,929,959
	18,591,753	17,455,672
Financial liabilities at FVPL:		
Contingent considerations for business combinations	94,216	118,235
	18,685,969	17,573,907

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

23. Financial assets at fair value through other comprehensive income

	At 31 December 2025 RMB'000	2024 RMB'000
Listed equity securities	29,228	14,053
Unlisted equity investments	423,173	542,687
	452,401	556,740

The investments mainly represent equity investments in several property management companies. For details of the fair value estimation, see note 4.3 (i).

24. Contract assets

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

	At 31 December 2025 RMB'000	2024 RMB'000
Contract assets	3,784	73,320

As at 1 January 2024, contract assets amounted to RMB71,405,000.

Pursuant to the service concession agreements for sewage and waste treatment, the Group receives no payment from the grantors during the construction period and receives service fees when relevant services are rendered during the operating periods. Upon the completion of construction, the balance of contract assets will transfer to concession intangible assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

25. Financial assets at fair value through profit or loss

	At 31 December	
	2025 RMB'000	2024 RMB'000
Wealth management products (a)	1,291,319	580,033
Structure products (b)	1,052,067	—
Currency forward contracts (c)	4,234	—
	2,347,620	580,033
Contingent consideration receivables	289,458	298,508

- (a) The Group invested in various wealth management products which can be redeemed any time at the Group's discretion. These products have a term of from 5 years to 10 years (2024: 5 years) with average expected return rate at 3.1% to 4.8% (2024: 3.3%). The fair values of these investments were determined based on the expected returns with reference to underlying investment.
- (b) As of 31 December 2025, the structure products have a term from one to six months with average expected return rate at 0.8% to 2.2%. The fair values of these investments were determined based on the expected returns as stipulated in relevant contracts with the counterparties.
- (c) The currency forward contracts have an aggregate notional amount of exchanging HKD2,229,568,000 for USD at forward exchange rates from HKD7.7353 to HKD7.7600 to USD1 with maturity date on or before 27 February 2026. The currency forward exchange contracts were secured by the time deposits of HKD2,090,396,000 (equivalent to RMB1,888,087,000) at 31 December 2025. The fair value of these currency forward exchange contracts was determined based on the quoted price from the bank. Subsequently in February 2026, the aforementioned foreign currency forward contracts matured and the related time deposits were released from pledge.

26. Inventories

	At 31 December	
	2025 RMB'000	2024 RMB'000
Merchandise goods (i)	501,593	432,524
Raw materials	105,144	144,265
Others	146,689	36,453
	753,426	613,242

- (i) Merchandise goods recognised as an expense during the year ended 31 December 2025 amounted to RMB2,414,429,000 (2024: RMB2,110,091,000). These were included in cost of sales.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

27. Trade and other receivables

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Current assets:		
Trade receivables (a)		
– Related parties (note 40(e))	2,145,267	2,548,569
– Third parties	20,592,826	18,595,563
	22,738,093	21,144,132
Less: allowance for impairment of trade receivables		
– Related parties (note 40(e))	(1,572,946)	(1,886,053)
– Third parties	(2,358,331)	(1,568,707)
	(3,931,277)	(3,454,760)
	18,806,816	17,689,372
Other receivables		
– Payments on behalf of property owners	1,263,286	962,054
– Deposits	523,481	505,457
– Loans to third parties pledged by equities (b)	1,183,733	1,185,849
– Receivables from finance leases	26,879	56,917
– Others (c)	990,834	988,187
	3,988,213	3,698,464
Less: allowance for impairment of other receivables	(582,846)	(318,032)
	3,405,367	3,380,432
Prepayments to suppliers		
– Related parties (note 40(e))	2,194	9,131
– Third parties	816,654	1,196,433
	818,848	1,205,564
Prepayments for other taxes	294,769	404,960
	23,325,800	22,680,328
Non-current assets:		
Other receivables		
– Loan receivables from related parties (d)	1,000,000	–
– Receivables from finance leases	126,459	282,769
	1,126,459	282,769

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB16,378,502,000.

As at 31 December 2025, most of the trade and other receivables were denominated in RMB, and the fair value of trade and other receivables approximated their carrying amounts.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

27. Trade and other receivables *(Continued)*

- (a) Trade receivables mainly arise from property management services income under lump sum basis, value-added services to non-property owners, heat supply services, environmental business and commercial operational services.

Property management services income under lump sum basis, heat supply services income and commercial operational services income are paid in accordance with the terms of the relevant service agreements. Service income from property management services and heat supply services are due for payment by the residents upon the issuance of demand note.

For value-added services to non-property owners and environmental business, customers are generally given a credit term of up to 90 days.

The aging analysis of the trade receivables based on invoice date and net of loss allowance was as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	11,638,762	11,267,480
1 to 2 years	3,645,574	3,806,320
2 to 3 years	1,884,989	2,150,710
Over 3 years	1,637,491	464,862
	18,806,816	17,689,372

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB3,931,277,000 (2024: RMB3,454,760,000) was made against the gross amounts of trade receivables (note 4.1).

- (b) The Group provided short-term loans to several third parties pledged by equity interests of property management and property agency services companies in the PRC held by the corresponding parties. The loans to third parties bear interest rate at 6% to 15% per annum. These loans have a term of 2 to 12 months. The reason for the Group to provide such loans to the third parties is for potential acquisitions of equity interests of property management and property agency services companies.
- (c) These receivables mainly included current accounts due from third parties, which are mainly interest-free, unsecured and repayable according to contract terms.

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FOR THE YEAR ENDED 31 DECEMBER 2025

27. Trade and other receivables (Continued)

- (d) In May 2025, the Company entered into the loan agreements with Concrete Win Limited (“Concrete Win”) and Fortune Warrior Global Limited (“Fortune Warrior”) (the “Borrowers”), which are entities directly wholly-owned by Ms. Yang Huiyan (the “Ultimate Controlling Shareholder”), pursuant to which the Company agreed to provide revolving loan facilities in an aggregate principal amount of RMB1,000,000,000 (or HKD equivalent) to the Borrowers. The maturity date of the loan is from the date of the grant of the first loan by the Company until the fifth anniversary or the date on which the Company declares the loan to be due before maturity with an annual rate of 5%.

Furthermore, the Company (as the Chargee) also entered into a deed of share charge with the Borrowers, in respect of 543,695,233 shares of the Company beneficially held by the Borrowers, to secure the repayment and settlement of the principal and interest of the above loan agreement. During the drawdown period, whenever the Company distributes any cash dividends, the Company shall directly withhold the dividends attributable to the pledged shares of the Borrowers and apply such dividends to repay the interest, principal and other payables under the loan.

As at 31 December 2025, the Company has granted the loan with the amount of RMB1,000,000,000 (2024: nil) to the Borrowers. For the year ended 31 December 2025, the Company recorded interest income of RMB19,167,000 (2024: nil) (note 40(b)). The maximum amount outstanding during the year ended 31 December 2025 is RMB1,019,167,000 (2024: nil).

There was no loan transaction with related parties during the fiscal year 2024.

- (e) See note 4.1.1 for the Group’s policy regarding impairment of trade and other receivables.

28. Cash and cash equivalents and restricted bank deposits

	At 31 December 2025 RMB’000	2024 RMB’000
Cash at banks (a)	12,899,715	15,897,241
Less: Restricted bank deposits (b)	(1,048,222)	(560,016)
Cash and cash equivalents	11,851,493	15,337,225

- (a) Cash at banks were denominated in the following currencies:

	At 31 December 2025 RMB’000	2024 RMB’000
RMB	11,330,029	11,551,878
HKD	212,522	172,271
Other currencies	1,357,164	4,173,092
	12,899,715	15,897,241

- (b) Restricted bank deposits mainly represent the cash deposits in bank as performance security for property management services according to the requirements of local government authorities, the deposits made as performance security for certain contracts relating to the environmental business and judicially frozen funds. As at 31 December 2025, the amount of restricted bank deposits includes RMB6,820,000 (2024: RMB5,689,000) in the frozen bank accounts of Caizhixin Services for its financial guarantee (note 43).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

29. Share capital and share premium

	Notes	Number of shares	Nominal value of shares	Equivalent nominal value of shares RMB'000	Share premium RMB'000	Total RMB'000	Share repurchased for cancellation RMB'000	Share purchased for the share award scheme RMB'000	Total RMB'000
Authorised									
Authorised share capital of USD0.0001 each		10,000,000,000	1,000,000						
At 1 January 2024, 31 December 2024, and 31 December 2025									
		10,000,000,000	1,000,000						
At 1 January 2024		3,343,020,336	334,302	2,135	27,064,723	27,066,858	–	–	27,066,858
Share repurchase/purchase	(a)	–	–	–	–	–	–	(545,443)	(545,443)
Consideration issue	(b)	29,255	3	–	456	456	–	–	456
At 31 December 2024		3,343,049,591	334,305	2,135	27,065,179	27,067,314	–	(545,443)	26,521,871
At 1 January 2025		3,343,049,591	334,305	2,135	27,065,179	27,067,314	–	(545,443)	26,521,871
Share repurchase/purchase	(a)	–	–	–	–	–	(367,024)	(11,104)	(378,128)
Consideration issue	(b)	328,925	33	–	12,407	12,407	–	–	12,407
Employee share schemes – exercise of share options	(c)	260,000	26	–	1,661	1,661	–	–	1,661
At 31 December 2025		3,343,638,516	334,364	2,135	27,079,247	27,081,382	(367,024)	(556,547)	26,157,811

- (a) For the year ended 31 December 2025, a total of 2,120,000 (2024: 106,880,000) shares were purchased at the consideration of RMB11,104,000 (2024: RMB545,443,000) under the share award scheme. Details refer to note 32.

During the year ended 31 December 2025, the Company bought back a total of 63,872,000 (2024: nil) shares for cancellation but not yet cancelled. The authorities of buy-back were approved by shareholders at the annual general meetings on 6 June 2024 and 23 May 2025, respectively. The total consideration paid to buy back these shares was HKD403,422,000 (equivalent to RMB367,024,000) (2024: nil). The shares were bought back at a weighted average price of HKD6.30 per share, with prices ranging from HKD5.95 to HKD6.76. The total of 63,872,000 shares for cancellation but not yet cancelled were included in the issued shares, and were cancelled in March 2026.

- (b) During the year ended 31 December 2025, the Company issued 328,925 (2024: 29,255) consideration shares in aggregate to the former shareholder of Everjoy Services Company Limited for the property management projects delivered in transit. The share based payment expense is recognised amounting to RMB12,407,000 (2024: RMB456,000) for the year ended 31 December 2025 with a corresponding increase in intangible assets-contract and customers relationship.
- (c) During the year ended 31 December 2025, the Company issued 260,000 shares as a result of the exercise of share options by 3 employees (note 32), which were granted under the share option scheme adopted by the Company in 2024, and raised net proceeds of approximately HKD1,302,600 (equivalent to approximately RMB1,182,000) in total. In addition, the related share-based payments reserve of RMB479,000 was transferred to the share premium account as a result of the above exercise of options. No share option was exercised during the year ended 31 December 2024.

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FOR THE YEAR ENDED 31 DECEMBER 2025

30. Other reserves

	Statutory Reserves RMB'000	FVOCI reserve RMB'000	Currency translation reserve RMB'000	Share- based payments RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	654,500	352,979	(51,996)	143,135	(174,309)	924,309
Currency translation differences	—	—	(8,447)	—	—	(8,447)
Changes in fair value of financial assets at FVOCI	—	113,397	—	—	—	113,397
Transactions with non-controlling interests (b)	—	—	—	—	(45,574)	(45,574)
Employees share schemes						
— value of employee services (note 10)	—	—	—	123,265	—	123,265
Disposals of financial assets at FVOCI	—	(578,764)	—	—	—	(578,764)
Transfer to statutory reserves (a)	69,290	—	—	—	—	69,290
At 31 December 2024 and 1 January 2025	723,790	(112,388)	(60,443)	266,400	(219,883)	597,476
Currency translation differences	—	—	2,294	—	—	2,294
Changes in fair value of financial assets at FVOCI	—	(76,964)	—	—	—	(76,964)
Transactions with non-controlling interests	—	—	—	—	(15,206)	(15,206)
Employees share schemes						
— value of employee services (note 10)	—	—	—	183,123	—	183,123
— exercise of options (note 32)	—	—	—	(479)	—	(479)
Transfer to statutory reserves (a)	151,257	—	—	—	—	151,257
At 31 December 2025	875,047	(189,352)	(58,149)	449,044	(235,089)	841,501

(a) Pursuant to the relevant rules and regulations governing foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, the subsidiaries are required to transfer certain portion of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their respective registered capital.

(b) This mainly includes the acquisitions of the additional equity interests of certain subsidiaries that provide property management services from the non-controlling interest.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

31. Retained earnings

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At 1 January	9,497,683	8,164,706
Profit for the year	601,497	1,808,357
Disposals of financial assets at FVOCI	—	578,764
Transfer to statutory reserves (note 30)	(151,257)	(69,290)
Dividends (note 15)	(988,945)	(984,854)
At 31 December	8,958,978	9,497,683

32. Share-based payments

Share Option Scheme

On 9 July 2024, the Company adopted the Country Garden Services Holdings Company Limited 2024 Share Option Scheme (the “2024 Share Option Scheme”).

Under the 2024 Share Option Scheme, the Company granted an aggregate of 225,350,000 share options to 60 employee participants which comprise two directors of the Company in July 2024. Pursuant to the terms of the 2024 Share Option Scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be vested in five batches for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year. Specifically, (i) 25% of the total number of the share options (batch one) will be vested on 1 April 2025 or extend for another year to 1 April 2026 if fail to achieve the 2024 performance condition; (ii) 20% of the total number of the share options (batch two) will be vested on 1 April 2026 or extend for another year to 1 April 2027 if fail to achieve the 2025 performance condition; (iii) 20% of the total number of the share options (batch three) will be vested on 1 April 2027 or extend for another year to 1 April 2028 if fail to achieve the 2026 performance condition; (iv) 20% of the total number of the share options (batch four) will be vested on 1 April 2028 or extend for another year to 1 April 2029 if fail to achieve the 2027 performance condition; and (v) the remaining 15% of the total number of the share options (batch five) will be vested on 1 April 2029 or extend for another year to 1 April 2030 if fail to achieve the 2028 performance condition. If the vesting conditions above have not been fulfilled during the relevant financial year or its respective extension year, the corresponding percentage of the share options granted will lapse.

All the options under the share option scheme should be exercisable after vesting but before the expiry of 10 years after the grant date at the exercise price of HKD5.01 per share.

No share option was granted during the year ended 31 December 2025.

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FOR THE YEAR ENDED 31 DECEMBER 2025

32. Share-based payments *(Continued)*

Share Option Scheme *(Continued)*

Movements in the number of shares options outstanding are as follows:

	2025		2024	
	Weight average exercise price in HKD	Number of share options	Weight average exercise price in HKD	Number of share options
At 1 January	5.01	224,150,000	—	—
Granted	—	—	5.01	225,350,000
Forfeited	5.01	(4,231,250)	5.01	(1,200,000)
Exercised	5.01	(260,000)	—	—
At 31 December	5.01	219,658,750	5.01	224,150,000
Vested and exercisable at 31 December	5.01	54,171,250	—	—

In respect of the share options exercised during the year, the weighted average share price at the date of exercise was HKD6.36 (2024: n/a) per share.

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant date	Expiry date	Exercise price	Share options outstanding 31 December 2025	Share options outstanding 31 December 2024
22 July 2024	21 July 2034	HKD5.01	219,658,750	224,150,000

The weighted average remaining contractual life of options outstanding at the end of the period is approximately 8.6 years.

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32. Share-based payments *(Continued)*

Share Option Scheme *(Continued)*

The fair value of share options granted in 2024 ranges from HKD2.02 to HKD3.20 (equivalent to RMB1.84 to RMB2.92) per option, which was determined using the Binomial Model by an independent appraiser based on significant unobservable inputs. These inputs include:

Description	Fair value of share options granted	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Share options	HKD581,852,000 (equivalent to RMB531,423,000)	Exercise multiples	2.2-2.8	The higher the exercise multiples, the higher the fair value
		Volatility	70.34%	The higher the volatility, the higher the fair value
		Risk-free interest rate	3.16%	The higher the risk-free interest rate, the higher the fair value
		Dividend yield	0.49%	The lower the dividend yield, the higher the fair value

There were no significant inter-relationships between unobservable inputs that materially affect fair values. The Group recognised the share-based compensation expenses in “General and administrative expenses” for the share options granted to the directors, senior management and employees of the Group.

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

The Group recognised total expense of RMB183,123,000 (2024: RMB123,265,000) for the year ended 31 December 2025 in relation to share options granted by the Company.

The number of share options granted expected to vest has been reduced to reflect historical experience of forfeiture of options granted prior to completion of vesting period and accordingly the share option expense has been adjusted. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in the profit and loss over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve.

Share Award Scheme

On 18 November 2024, the Company adopted the Share Award Scheme. According to the rules of the Share Award Scheme and the terms of the trust deed, a designated subsidiary of the Company established a trust in the PRC and entrusted the trustee to purchase a total of 109,000,000 shares of the Company on the open market. For the year ended 31 December 2025, a total of 2,120,000 (2024: 106,880,000) shares were purchased at the consideration of RMB11,104,000 (2024: RMB545,443,000) under the Share Award Scheme. In 2025 and 2024, the Company did not grant any share award.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

33. Trade and other payables

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables		
– Related parties (note 40(e))	273,132	175,195
– Third parties	9,542,042	8,458,982
	9,815,174	8,634,177
Other payables		
– Deposits	1,872,419	2,052,592
– Temporary receipts from properties owners	3,030,823	2,985,848
– Provision for financial guarantee (note 43)	129,949	46,635
– Considerations payable for business combinations	—	9,265
– Dividend payables	33,767	19,642
– Accruals and others	916,358	907,298
	5,983,316	6,021,280
Contingent considerations for business combinations	94,216	118,235
Payroll payables	3,121,802	3,292,507
Other taxes payables	863,304	757,589
	19,877,812	18,823,788

As at 31 December 2025, the carrying amounts of trade and other payables approximated their fair values.

The aging analysis of trade payables based on the invoice date was as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	8,503,825	7,397,618
1 to 2 years	852,282	802,199
2 to 3 years	360,400	364,184
Over 3 years	98,667	70,176
	9,815,174	8,634,177

Notes to the Consolidated Financial Statements

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34. Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities was as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred income tax assets:		
— to be recovered within 12 months	346,837	492,508
— to be recovered over 12 months	1,234,661	849,028
Total deferred tax assets	1,581,498	1,341,536
Set-off of deferred tax liabilities pursuant to set-off provisions	(97,348)	(211,292)
Net deferred tax assets	1,484,150	1,130,244
Deferred income tax liabilities:		
— to be recovered within 12 months	268,371	353,121
— to be recovered over 12 months	1,147,449	1,457,083
Total deferred tax liabilities	1,415,820	1,810,204
Set-off of deferred tax assets pursuant to set-off provisions	(97,348)	(211,292)
Net deferred tax liabilities	1,318,472	1,598,912

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances, was as follows.

Deferred income tax assets:

	Allowance for impairment of receivables	Tax losses	Lease liabilities	Fair value changes of financial assets	Share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	802,541	104,809	225,715	—	—	1,133,065
Acquisition of subsidiaries	625	—	—	—	—	625
Disposal of subsidiaries	(1,067)	(116)	—	—	—	(1,183)
Credited/(charged) to profit or loss	93,938	68,582	(10,438)	—	30,816	182,898
Credited to other comprehensive income	—	—	—	26,131	—	26,131
At 31 December 2024	896,037	173,275	215,277	26,131	30,816	1,341,536
At 1 January 2025	896,037	173,275	215,277	26,131	30,816	1,341,536
Acquisition of subsidiaries (note 38)	1,085	—	—	—	—	1,085
Disposal of subsidiaries	(16,578)	(3,289)	(12,142)	—	—	(32,009)
Credited/(charged) to profit or loss	188,516	130,242	(120,492)	—	45,245	243,511
Credited to other comprehensive income	—	—	—	27,375	—	27,375
At 31 December 2025	1,069,060	300,228	82,643	53,506	76,061	1,581,498

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Deferred income tax *(Continued)*

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. For the year ended 31 December 2025, the Group did not recognise deferred income tax assets in respect of losses amounting to RMB76,563,000 (2024: RMB51,779,000) that can be carried forward against future taxable income. Tax losses of group entities operated in the PRC could be carried forward for a maximum of five years. These tax losses will expire up to year 2030 (2024: 2029).

Deferred income tax liabilities:

	Right-of-use assets RMB'000	Differences on recognition of depreciation RMB'000	Fair value gain from business combination RMB'000	Withholding income tax on profits to be distributed in future RMB'000	Fair value changes of financial assets RMB'000	Contractual service concession arrangements RMB'000	Total RMB'000
At 1 January 2024	(225,563)	(3,526)	(1,636,333)	(178,792)	(61,447)	(4,208)	(2,109,869)
Disposal of subsidiaries	—	—	12,940	—	—	—	12,940
Acquisition of subsidiaries	—	—	(10,991)	—	—	—	(10,991)
Credited/(charged) to profit or loss	14,267	3,197	243,289	(3,115)	(15,706)	(12,851)	229,081
Credited to other comprehensive income	—	—	—	—	68,635	—	68,635
At 31 December 2024	(211,296)	(329)	(1,391,095)	(181,907)	(8,518)	(17,059)	(1,810,204)
At 1 January 2025	(211,296)	(329)	(1,391,095)	(181,907)	(8,518)	(17,059)	(1,810,204)
Disposal of subsidiaries	12,788	—	8,163	—	—	—	20,951
Acquisition of subsidiaries (note 38)	—	—	(173)	—	—	—	(173)
Credited/(charged) to profit or loss	122,079	329	255,498	(10,114)	4,679	1,135	373,606
At 31 December 2025	(76,429)	—	(1,127,607)	(192,021)	(3,839)	(15,924)	(1,415,820)

As at 31 December 2025, the retained earnings of the Group's PRC subsidiaries not yet remitted to holding companies incorporated outside PRC, for which no deferred income tax liability had been provided, were approximately RMB11,315,359,000 (2024: RMB11,052,804,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their overseas holding companies in the foreseeable future based on management's estimation of overseas funding requirements.

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35. Bank and other borrowings

	At 31 December 2025			At 31 December 2024		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Secured						
Bank loans	145,982	362,994	508,976	243,055	350,294	593,349
Other borrowings	118,145	151,002	269,147	94,176	167,831	262,007
	264,127	513,996	778,123	337,231	518,125	855,356
Unsecured:						
Bank loans	118,980	6,013	124,993	14,900	—	14,900
Other borrowings	462	723,201	723,663	—	—	—
	119,442	729,214	848,656	14,900	—	14,900
Total bank and other borrowings	383,569	1,243,210	1,626,779	352,131	518,125	870,256

The Group's secured borrowings as at 31 December 2025 were amounted to RMB778,123,000 (2024: RMB855,356,000), mainly secured by certain transportation equipment and land use rights of the Group with net book amount of RMB179,999,000 (2024: RMB119,476,000) and pledged by rights of collection of several projects of environmental business.

As at 31 December 2025, the Group's bank and other borrowings were repayable as follows:

	Bank loans		Other borrowings	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Within 1 year	264,962	257,955	118,607	94,176
Over 1 year and within 2 years	50,913	22,950	9,499	20,236
Over 2 years and within 5 years	77,644	57,094	723,304	5,000
Over 5 years	240,450	270,250	141,400	142,595
	633,969	608,249	992,810	262,007

The weighted average effective interest rate for the year ended 31 December 2025 was 4.40% (2024: 4.25%) per annum.

The Group's bank and other borrowings are denominated in RMB, functional currency of the respective group entities.

The carrying amounts of the borrowings are approximate to their fair value, as the impact of discounting using the current borrowing rate is not significant.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Cash flow information

(a) Cash generated from operations

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	1,118,629	2,706,706
Adjustments for		
– Depreciation of property, plant and equipment (note 16)	471,904	455,260
– Depreciation of other right-of-use assets (note 17)	159,327	177,897
– Depreciation of investment properties (note 18)	163,045	127,533
– Impairment of goodwill and other intangible assets (note 19)	968,891	990,000
– Amortisation of other intangible assets (note 19)	1,204,283	1,227,819
– Losses on disposals of plant, property and equipment, and investment properties (note 8)	32,167	25,689
– Losses/(gains) from the change of sublease contracts (note 8)	10,950	(78,652)
– Losses/(gains) on disposals of investments accounted for using the equity method (note 8)	338	(4,009)
– (Gains)/losses on early termination of lease contracts (note 8)	(27,375)	4,861
– Realised and unrealised (gains)/losses from financial assets at FVPL (note 8)	(53,019)	18,294
– Fair value change on contingent considerations (note 8)	(7,535)	(531,876)
– Employee share schemes – value of employee services (note 10)	183,123	123,265
– Share of results of investments accounted for using the equity method (note 21)	49,688	11,560
– Losses on disposals of subsidiaries (note 8)	91,569	38,589
– Finance income – net (note 11)	(139,044)	(48,155)
– Dividends received from financial assets at FVOCI (note 7)	(34,839)	(76,017)
Changes in working capital (excluding the effects of acquisition and disposals of subsidiaries):		
– Restricted bank deposits	(577,523)	(257,926)
– Inventories	(165,920)	(26,879)
– Trade and other receivables	(1,071,165)	(1,700,774)
– Contract assets	–	(15,148)
– Other current assets	(559,015)	(344,020)
– Contract liabilities	638,966	635,938
– Trade and other payables	1,276,783	1,459,400
Cash generated from operations	3,734,228	4,919,355

(b) Non-cash investing and financing activities

Significant non-cash investing and financing activities for the year end 31 December 2025 represented additions of other right-of-use assets amounted to RMB194,206,000 (2024: RMB299,230,000 (note 17)), additions of investment properties amounted to RMB278,178,000 (2024: RMB478,340,000) and additions of receivables from finance leases amounted to RMB36,675,000 (2024: RMB183,979,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Cash flow information *(Continued)*

- (c) In the consolidated statements of cash flows, proceeds from disposals of property, plant and equipment, and investment properties comprise:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net book amount	112,972	269,789
Losses on disposals (note 8)	(32,167)	(25,689)
Proceeds from disposals	80,805	244,100

(d) Net cash reconciliation

This section sets out an analysis of net debt and the movements in net debt.

	Other assets		Liabilities from financing activities		Total RMB'000
	Cash RMB'000	Lease liabilities RMB'000	Bank and other borrowings RMB'000		
Net debt at 1 January 2025	15,337,225	(1,929,959)	(870,256)		12,537,010
Cash flows	(3,536,738)	283,439	(679,852)		(3,933,151)
Acquisitions of subsidiaries (note 38)	—	—	(26,505)		(26,505)
Disposals of subsidiaries	—	27,213	—		27,213
Acquisition of new contracts	—	(264,364)	—		(264,364)
Interest expenses accrued	—	(86,649)	(50,166)		(136,815)
Early termination of contracts	—	803,836	—		803,836
Currency translation differences	51,006	—	—		51,006
Net debt at 31 December 2025	11,851,493	(1,166,484)	(1,626,779)		9,058,230

	Other assets		Liabilities from financing activities		Total RMB'000
	Cash RMB'000	Lease liabilities RMB'000	Bank and other borrowings RMB'000		
Net debt at 1 January 2024	12,637,187	(1,517,679)	(1,569,548)		9,549,960
Cash flows	2,737,419	337,913	826,385		3,901,717
Acquisitions of subsidiaries (note 38)	—	—	(51,982)		(51,982)
Acquisition of new contracts	—	(777,570)	—		(777,570)
Interest expenses accrued	—	(93,989)	(75,111)		(169,100)
Early termination of contracts	—	121,366	—		121,366
Currency translation differences	(37,381)	—	—		(37,381)
Net debt at 31 December 2024	15,337,225	(1,929,959)	(870,256)		12,537,010

Notes to the Consolidated Financial Statements

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37. Commitments

Commitments for capital expenditures

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Contracted but not provided for:		
Property, plant and equipment	495	832
Right-of-use assets	—	440
Other intangible assets	55	—

38. Business combination

For the year ended 31 December 2025

During the fiscal year 2025, the Group acquired 12 subsidiaries with a total cash consideration of RMB43,249,000. These subsidiaries are engaged in property management services or Three Supplies and Property Management related services and were acquired for the objective of expanding the Group's relevant businesses. The acquisitions have been accounted for as acquisition of businesses using the acquisition method.

Consideration transferred

	RMB'000
Cash consideration	43,249
Interests in associates before acquisitions (note 21)	79,012
Total consideration transferred	122,261
Cash consideration settled in 2025	43,249

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Business combination *(Continued)*

Acquisition-related costs are not significant and have been excluded from the consideration transferred and have been recognised as an expense in the current year, in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition

	2025 RMB'000
Property, plant and equipment (note 16)	79,029
Other intangible assets (note 19)	2,228
Deferred income tax assets (note 34)	1,085
Trade and other receivables	196,534
Inventory	321
Cash and cash equivalents	134,529
Borrowings	(26,505)
Trade and other payables	(182,335)
Contract liabilities	(11,896)
Current income tax liabilities	(22,088)
Deferred income tax liabilities (note 34)	(173)
Total identifiable net assets	170,729

Non-controlling interests

The non-controlling interests of the acquirees recognised at the acquisition dates were measured by reference to the proportionate share of recognised amounts of net assets of the acquirees and amounted to RMB48,468,000.

Goodwill arising on acquisitions:

	RMB'000
Consideration transferred	122,261
Plus: non-controlling interests	48,468
Less: recognised amounts of net assets acquired	170,729
	-

Net cash outflow on the acquisitions

	RMB'000
Cash consideration paid	43,249
Less: Cash and cash equivalents acquired	(134,529)
Net cash outflows on the acquisitions	(91,280)

Among these acquisitions, the Group acquired 51% equity interest of Guangzhou Country Garden Shuttle Bus Service Co., Ltd. ("CG Shuttle Bus") from an entity controlled by the Ultimate Controlling Shareholder at a cash consideration of RMB11,689,000.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Business combination *(Continued)*

Impact of acquisitions on the results of the Group

Included in the profit for the year is RMB25,421,000 attributable to the additional business generated by the acquirees. Revenue for the year includes RMB1,520,533,000 generated from the acquirees.

Had these acquisitions been completed on 1 January 2025, revenue for the year of the Group would have been RMB48,756,568,000 and profit for the year would have been RMB597,286,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had these acquisitions been completed at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisitions.

For the year ended 31 December 2024

During the year ended 31 December 2024, the Group acquired 100% equity interest in Sichuan Hemeng, 80% equity interest in Baoshihua Human Resources Co., Limited and its subsidiaries, and one property management company from third parties at an aggregated fixed cash consideration of RMB200,144,000.

Consideration transferred

	RMB'000
Cash consideration	200,144
Interests in associates before acquisitions (note 21)	14,318
Total consideration transferred	214,462
Cash consideration settled in 2024	183,144
Outstanding as at 31 December 2024	17,000

Goodwill arising on acquisitions:

	RMB'000
Consideration transferred	214,462
Plus: non-controlling interests	16,546
Less: recognised amounts of net assets acquired	(154,206)
	76,802

Net cash outflow on the acquisitions

	RMB'000
Cash consideration paid	183,144
Less: cash and cash equivalents acquired	(59,486)
Offset of the balance of other receivables	(143,000)
Net cash outflows on the acquisitions	(19,342)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

39. Disposals of subsidiaries

During the fiscal year 2025, the Group disposed of interests in a number of subsidiaries to certain independent third parties, 90% equity interest of one subsidiary to a related company and 100% equity interest of one subsidiary to a related company (note 40(f)). Details of the disposals are as follows:

	2025 RMB'000	2024 RMB'000
Disposal considerations	6,639	106,408
— Cash received	5,463	106,408
— Outstanding and included in other receivables	1,176	—
Total net assets of subsidiaries disposed of	176,234	172,617
Non-controlling interests disposed of	78,026	27,620
Losses on disposals (note 8)	(91,569)	(38,589)
Cash proceeds from disposals, net of cash disposed of		
— Cash considerations received	5,463	106,408
— Less: cash and cash equivalents in the subsidiaries disposed of	(31,262)	(57,782)
Net cash (outflow)/inflow on disposals	(25,799)	48,626

Notes to the Consolidated Financial Statements

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40. Related party transactions

(a) Ultimate controlling shareholder

The Company is ultimately controlled by Ms. Yang Huiyan (the “Ultimate Controlling Shareholder”).

(b) Transactions with related parties

The Group has entered into the following significant transactions with its related parties:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Provision of services (i)		
– Entities controlled by the Ultimate Controlling Shareholder	296,583	365,691
– Entities jointly controlled by the Ultimate Controlling Shareholder	25,613	37,994
– Entities over which the Ultimate Controlling Shareholder has significant influence	207,220	73,107
– Entities controlled by the close relatives of the Ultimate Controlling Shareholder	21,617	5,338
	551,033	482,130
Purchase of goods and services		
– Entities controlled by the Ultimate Controlling Shareholder	47,533	44,210
– Entities jointly controlled by the Ultimate Controlling Shareholder	7,677	48,664
– Entities over which the Ultimate Controlling Shareholder has significant influence	40,173	17,756
– Entities controlled by the close relatives of the Ultimate Controlling Shareholder	202,817	1,946
	298,200	112,576

- (i) Since 2023, as the credit risk of certain related parties has increased significantly, the Group only recognised revenue from the related parties according to policies in note 6(c), and no change was made for the fiscal year 2025. For the year ended 31 December 2025, the Group did not recognise revenue without collection of consideration from provision of services to these related parties amounting to RMB153,448,000 (2024: RMB151,075,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

40. Related party transactions *(Continued)*

(b) Transactions with related parties *(Continued)*

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest expenses on lease liabilities		
– Entities controlled by the Ultimate Controlling Shareholder	470	—
Repayment of lease liabilities		
– Entities controlled by the Ultimate Controlling Shareholder	2,204	—
Rental expenses		
– Entities controlled by the Ultimate Controlling Shareholder	10,132	10,941
Interest income		
– Entities controlled by the Ultimate Controlling Shareholder (note 27(d))	19,167	—

The prices for the above service fees and goods were determined in accordance with the terms mutually agreed by the contract parties.

(c) Free trademark license agreement

A trademark licencing agreement was entered into between the Company and a subsidiary of Country Garden Holdings Company Limited (“CGH”), Foshan Shunde Country Garden Property Development Company Limited (“佛山市順德區碧桂園物業發展有限公司”) (“Foshan Shunde”) and a deed of trademark licencing was entered into between the Company and CGH (the “Trademark Licencing Arrangement”). Pursuant to the Trademark Licencing Arrangement, Foshan Shunde agreed and CGH would procure Foshan Shunde to irrevocably and unconditionally grant to the Group a non-transferable licence to use several trademarks registered in the PRC and Hong Kong for a perpetual term commencing from the date of the Trademark Licencing Agreement and the deed of trademark licencing, which are subject to the renewal of the licenced trademarks, on a royalty-free basis.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

40. Related party transactions *(Continued)*

(d) Key management compensation

Key management includes directors and senior management. Compensations for key management are set out below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other short-term employee benefits	19,029	14,910
Share-based payments	38,538	28,411
Fees	1,200	1,123
Contribution to retirement benefits and other social insurances	420	389
	59,187	44,833

(e) Balances with related parties

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Receivables from related parties		
Trade receivables		
– Entities controlled by the Ultimate Controlling Shareholder	2,048,725	2,364,647
– Entities jointly controlled by the Ultimate Controlling Shareholder	65,713	71,780
– Entities over which the Ultimate Controlling Shareholder has significant influence	26,812	110,401
– Entities controlled by the close relatives of the Ultimate Controlling Shareholder	4,017	1,741
	2,145,267	2,548,569
Less: allowance for impairment of trade receivables from related parties (note 4.1.1)	(1,572,946)	(1,886,053)
	572,321	662,516

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

40. Related party transactions (Continued)

(e) Balances with related parties (Continued)

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Receivables from related parties		
Prepayments		
– Entities controlled by the Ultimate Controlling Shareholder	2,002	8,786
– Entities jointly controlled by the Ultimate Controlling Shareholder	177	276
– Entities over which the Ultimate Controlling Shareholder has significant influence	–	63
– Entities controlled by the close relatives of the Ultimate Controlling Shareholder	15	6
	2,194	9,131
Receivables from related parties		
Loan receivables (include accrued interest)		
– Entities controlled by the Ultimate Controlling Shareholder (note 27(d))	1,019,167	–
Payables to related parties		
Trade payables		
– Entities controlled by the Ultimate Controlling Shareholder	212,022	153,563
– Entities jointly controlled by the Ultimate Controlling Shareholder	9,654	13,383
– Entities over which the Ultimate Controlling Shareholder has significant influence	10,603	7,725
– Entities controlled by the close relatives of the Ultimate Controlling Shareholder	40,853	524
	273,132	175,195
Contract liabilities		
– Entities controlled by the Ultimate Controlling Shareholder	106,187	109,051
– Entities jointly controlled by the Ultimate Controlling Shareholder	6,068	2,569
– Entities over which the Ultimate Controlling Shareholder has significant influence	3,757	9,386
– Entities controlled by the close relatives of the Ultimate Controlling Shareholder	1,393	269
	117,405	121,275

(f) Business combination and disposal transactions with entities controlled by the Ultimate Controlling Shareholder

For the year ended 31 December 2025

The Group acquired 51% equity interest of a community shuttle bus service provider from an entity controlled by the Ultimate Controlling Shareholder at the cash consideration of RMB11,689,000.

The Group disposed of 100% equity interest of one subsidiary and 90% equity interest of the other subsidiary to entities controlled by the Ultimate Controlling Shareholder, with the remaining 10% equity interests in the second subsidiary transferred to an independent third party, at the total cash consideration of approximately RMB1,176,000. The Group recorded gains on disposals of amounting to RMB19,229,000 in aggregate.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

41. Statement of financial position and reserve movement of the company

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Assets		
Non-current assets		
Investments in subsidiaries	646,145	463,022
Property, plant and equipment	3	3
Other receivables	24,373,788	22,450,182
	25,019,936	22,913,207
Current assets		
Cash and cash equivalents	208,355	4,135,667
Dividends receivable	5,829,770	4,176,563
Other receivables	15	62
	6,038,140	8,312,292
Total assets	31,058,076	31,225,499
Equity		
Share capital and share premium	26,714,358	27,067,315
Other reserves	401,028	218,384
Retained earnings	3,936,364	3,897,167
Total equity	31,051,750	31,182,866
Liability		
Current liability		
Other payables	6,326	42,633
Total liability	6,326	42,633
Total equity and liability	31,058,076	31,225,499

The statement of financial position of the Company was approved by the board of directors on 27 March 2026 and was signed on its behalf.

Xu Binhuai

Director

Xiao Hua

Director

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

41. Statement of financial position and reserve movement of the company

(Continued)

Movement of retained earnings and other reserves of the Company

	Retained earnings RMB'000	Other reserves RMB'000
At 1 January 2024	3,347,096	95,119
Profit for the year	1,534,925	—
Dividends	(984,854)	—
Issue of shares under employee scheme	—	123,265
At 31 December 2024	3,897,167	218,384
At 1 January 2025	3,897,167	218,384
Profit for the year	1,028,142	—
Dividends	(988,945)	—
Issue of shares under employee scheme	—	183,123
Exercise of share options	—	(479)
At 31 December 2025	3,936,364	401,028

42. Directors' benefits and interests

Chairman and Non-executive Director

Ms. Yang Huiyan (note (a))

Executive Directors

Mr. Xu Binhuai, President
Mr. Xiao Hua

Independent non-executive Directors

Mr. Mei Wenjue
Mr. Rui Meng
Mr. Chen Weiru
Mr. Zhao Jun

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

42. Directors' benefits and interests (Continued)

(a) Directors' emoluments

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

Name	Fees RMB'000	Salary RMB'000	Contributions to retirement benefits and other social security costs RMB'000	Employee share schemes- value of employee services RMB'000
Executive directors				
Mr. Xu Binhuai	—	3,461	64	11,225
Mr. Xiao Hua	—	2,699	43	4,677
Independent non-executive directors				
Mr. Mei Wenjue	300	—	—	—
Mr. Chen Weiru	300	—	—	—
Mr. Rui Meng	300	—	—	—
Mr. Zhao Jun	300	—	—	—
	1,200	6,160	107	15,902

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

Name	Fees RMB'000	Salary RMB'000	Contributions to retirement benefits and other social security costs RMB'000	Employee share schemes- value of employee services RMB'000
Executive directors				
Mr. Xu Binhuai	—	3,500	63	8,275
Mr. Xiao Hua	—	1,860	41	3,448
Mr. Guo Zhanjun (i)	—	187	14	—
Independent non-executive directors				
Mr. Mei Wenjue	300	—	—	—
Mr. Chen Weiru	300	—	—	—
Mr. Rui Meng	300	—	—	—
Mr. Zhao Jun	223	—	—	—
	1,123	5,547	118	11,723

(i) In April 2024, Mr. Guo Zhanjun resigned from his position and remains as a senior executive of the Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

42. Directors' benefits and interests *(Continued)*

(a) Directors' emoluments *(Continued)*

The non-executive director, Ms. Yang Huiyan did not receive any emoluments from the Group during the years ended 31 December 2025 and 2024. Ms. Yang Huiyan have made arrangements with the Company under which she has waived or agreed to waive her emoluments.

(b) Directors' retirement benefits

There were no retirement benefits paid to or receivable by directors during the year by defined benefit pension plans operated by the Group (2024: nil).

(c) Directors' termination benefits

There were no director's termination benefits subsisted during the year (2024: nil) and there was no compensation paid during the year (2024: nil) for the loss of office as a director of the Group or any other office in connection with the management of the affairs of any member of the Group.

(d) Consideration provided to third parties for making available directors' services

There was no consideration provided to third parties for making available directors' services subsisted during the year (2024: nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the fiscal year 2025, the Company entered in to the loan agreement with the Borrowers which are entities directly controlled by the Chairman and non-executive director, Ms. Yang Huiyan. The details of the transaction refers to note 27(d) (2024: nil).

(f) Directors' material interests in transactions, arrangements or contracts

The Chairman and non-executive director, Ms. Yang Huiyan, is an executive director of CGH. The Group's transactions with CGH and its related entities are set out in note 40.

Save for the aforementioned transactions, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: nil).

43. Financial guarantee

Caizhixin Services, a subsidiary of the Company, was acquired by the Group from its original shareholder, Chongqing Caixin Group Co., Ltd. (“Caixin Group”), on 30 September 2021 (the “Acquisition Date”). In late August 2022, certain bank accounts of Caizhixin Services were frozen judicially, in light of the fact that Caizhixin Services provided joint and several guarantee to a trust financing arrangement of Caixin Group prior to the Acquisition Date. The Company was informed by Caixin Group and validated the existence of this obligation after the incident happened.

According to information subsequently obtained, in addition to the pledge of the equity interest of a subsidiary held by Caixin Group, the debts were also secured by another eight guarantors, including: (1) one guarantor providing guarantees by way of asset pledge; and (2) the other seven entities (including Caizhixin Services) providing joint and several guarantee obligations. As at 31 December 2025, the principal amount involved in the guarantee of the relevant debt is approximately RMB689,500,000. Together with accrued interests and penalties, the total guarantee amount is approximately RMB1,128,000,000.

Management of the Company represents that: (1) the Caixin Group confirms that, apart from this, Caizhixin Services provided no other external guarantee prior to the Acquisition Date; (2) the normal operation of Caizhixin Services has not been materially and adversely affected; (3) since the engagement with and acquisition of Caizhixin Services by the Group, Caixin Group has disclosed and undertaken that the guarantee did not exist during the course of due diligence and negotiation of the acquisition agreement, which, at present, is in violation of the relevant covenants and undertakings under the agreement regarding the acquisition of Caizhixin Services; (4) the Group has actively taken legal proceedings, to protect the Group’s legitimate rights and interests. As at 31 December 2025, the amount of restricted bank deposits in the frozen bank accounts of Caizhixin Services was RMB6,820,000 (2024: RMB5,689,000). As at 31 December 2025, the Group has assessed that the expected credit losses for the financial guarantee and accordingly made a provision of RMB129,949,000 (2024: RMB46,635,000). When estimating the expected credit losses of the financial guarantee, management applied estimation under various scenarios of repayment orders after taking into account the lawyers’ opinion.

44. Summary of other potentially material accounting policies

44.1 Principles of consolidation and equity accounting

(a) *Subsidiaries*

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

Inter-company transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

44. Summary of other potentially material accounting policies *(Continued)*

44.1 Principles of consolidation and equity accounting *(Continued)*

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (note 44.1.(d)), after initially being recognised at cost.

(c) Joint arrangements

Under HKFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures only.

Interests in joint ventures are accounted for using the equity method (note 44.1.(d)), after initially being recognised at cost.

(d) Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 44.6.

44. Summary of other potentially material accounting policies *(Continued)*

44.1 Principles of consolidation and equity accounting *(Continued)*

(e) Changes in equity interests

The Group accounts for transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

44.2 Separate financial statements

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

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

44.3 Segment reporting

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

44. Summary of other potentially material accounting policies *(Continued)*

44.4 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as FVOCI are recognised in other comprehensive income.

(iii) Group entities

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of RMB are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

44. Summary of other potentially material accounting policies *(Continued)*

44.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation, net of any impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/(losses) – net' in profit or loss.

44.6 Impairment of non-financial assets

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

44. Summary of other potentially material accounting policies *(Continued)*

44.7 Investments and other financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) – net in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

44. Summary of other potentially material accounting policies *(Continued)*

44.8 Offsetting financial instruments

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

44.9 Impairment of financial assets

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

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

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of individual property owner or the borrower;
- significant increases in credit risk on other financial instruments of the individual property owner or the same borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

44. Summary of other potentially material accounting policies *(Continued)*

44.9 Impairment of financial assets *(Continued)*

For other receivables, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognize their expected credit losses, as follows:

- Stage 1 if the credit risk has not increased significantly since its initial recognition, the financial asset is included in Stage 1.
- Stage 2 if the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit-impaired, the financial instrument is included in Stage 2.
- Stage 3 if the financial instruments are credit-impaired, the financial instrument is included in Stage 3.

44.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

44.11 Trade and other receivables

Trade receivables are amounts due from customers for services provided in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 4.1.1.

44.12 Cash and cash equivalents and restricted bank deposits

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank deposits which are restricted to use are included in "restricted bank deposits" of the consolidated statement of financial position. Restricted bank deposits are excluded from cash and cash equivalents.

44. Summary of other potentially material accounting policies *(Continued)*

44.13 Share capital

Ordinary shares are classified as equity.

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

Buy back of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

44.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

44.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

44. Summary of other potentially material accounting policies *(Continued)*

44.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

44.17 Current and deferred income tax

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

(i) Current income tax

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

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

44. Summary of other potentially material accounting policies *(Continued)*

44.17 Current and deferred income tax *(Continued)*

(ii) Deferred income tax *(Continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

44.18 Employee benefits

(i) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions 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 contributes on a monthly basis to various defined contribution benefit plans organised by the relevant governmental authorities. 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. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

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

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

(iii) Termination benefits

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

44. Summary of other potentially material accounting policies *(Continued)*

44.18 Employee benefits *(Continued)*

(iv) Employee leave entitlements

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

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

44.19 Share-based payments

Share-based compensation benefits are provided to employees via the Company's share option scheme. Information relating to the scheme is set out in note 32. The fair value of the employee service received in exchange for the grant of the options is recognised as an 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:

- (i) Including any market performance conditions (e.g. the entity's share price);
- (ii) 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
- (iii) 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).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. 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.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

The grant by the Company of its options to the employees of the subsidiaries of the Group is treated as a capital contribution. The Group recognised the share-based compensation expenses in "General and administrative expenses" for the share options granted to the directors, senior management and employees of the Group and recognised as a deemed distribution to the shareholders in equity (recorded in "Other reserves") for the share options granted to the directors and senior management of related companies, who did not provide significant services to the Group. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

44. Summary of other potentially material accounting policies *(Continued)*

44.19 Share-based payments *(Continued)*

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-marketing performance 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.

When the share options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

44.20 Provisions

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

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

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

44.21 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in 'Other income'. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in 'Other income'.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

44. Summary of other potentially material accounting policies *(Continued)*

44.22 Dividend income

Dividends are received from financial assets at FVPL and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

44.23 Government grants

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

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

44.24 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

44.25 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

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