zhenro 正荣服务

ZHENRO SERVICES GROUP LIMITED
正榮服務集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 6958)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

ANNUAL RESULTS AND OPERATIONAL HIGHLIGHTS

1. For the year ended 31 December 2025, the revenue of the Group was approximately RMB1,062.6 million, representing a decrease of approximately 4.6% as compared with the revenue of RMB1,113.9 million in the same period of 2024.

2. The revenue of the Group is mainly derived from four major businesses: (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) commercial operational management services. During the year ended 31 December 2025, (i) property management services remained the largest source of revenue for the Group, with revenue reaching approximately RMB780.2 million, accounting for approximately 73.4% of the overall revenue, representing a year-on-year decrease of approximately 6.0% as compared with approximately RMB830.3 million in the same period of 2024; (ii) revenue from value-added services to non-property owners amounted to approximately RMB43.9 million, accounting for approximately 4.1% of the overall revenue, representing a year-on-year decrease of approximately 24.9% compared to approximately RMB58.5 million in the same period of 2024; (iii) revenue from community value-added services reached approximately RMB159.7 million, accounting for 15.0% of the overall revenue, representing a year-on-year increase of approximately 7.6% compared to approximately RMB148.4 million in the same period of 2024; and (iv) revenue from commercial operational management services amounted to approximately RMB78.8 million, accounting for 7.5% of the overall revenue, representing a year-on-year increase of approximately 2.6% compared to approximately RMB76.8 million in the same period of 2024.

3. For the year ended 31 December 2025, the gross profit of the Group was approximately RMB173.3 million, representing a decrease of approximately 25.6% from approximately RMB232.9 million in the same period of 2024.

4. For the year ended 31 December 2025, the loss of the Group was approximately RMB228.9 million as compared with the loss of approximately RMB235.4 million in the same period of 2024. The loss attributable to owners of the parent for the year ended 31 December 2025 was approximately RMB230.5 million as compared with the loss of approximately RMB235.9 million in the same period of 2024.

5. During the year ended 31 December 2025, the gross floor area ("**GFA**") under management of the Group's property management services was approximately 75.7 million square meters ("**sq.m.**"), representing a decrease of approximately 5.7% from approximately 80.3 million sq.m. as at 31 December 2024.

6. The Board resolved not to recommend any final dividend for the year ended 31 December 2025 (2024: nil).

The board (the "**Board**") of directors (the "**Directors**") of Zhenro Services Group Limited (the "**Company**" or "**Zhenro Services**") is pleased to announce the audited consolidated results (the "**Annual Results**") of the Company and its subsidiaries (together, the "**Group**" or "**Zhenro Services Group**" or "**We**") for the year ended 31 December 2025 (the "**Reporting Period**"), together with the comparative figures for the same period of 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	**2025** *RMB'000*	2024 *RMB'000*
REVENUE	*4*	**1,062,576**	1,113,933
Cost of sales		**(889,237)**	(880,989)
GROSS PROFIT		**173,339**	232,944
Other income and gains	*4*	**8,817**	23,158
Administrative expenses		**(137,082)**	(137,983)
Impairment losses on financial assets, net		**(61,611)**	(38,891)
Impairment losses of goodwill		**(119,711)**	(214,777)
Fair value losses on investment properties		**(70,504)**	(55,599)
Share of results of associates		**(207)**	(300)
Finance costs		**(9,538)**	(13,364)
LOSS BEFORE TAX	*5*	**(216,497)**	(204,812)
Income tax expense	*6*	**(12,368)**	(30,584)
LOSS FOR THE YEAR		**(228,865)**	(235,396)
Attributable to:			
Owners of the parent		**(230,487)**	(235,915)
Non-controlling interests		**1,622**	519
		(228,865)	(235,396)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		**RMB**	RMB
– Basic and diluted	*8*	**(0.22)**	(0.23)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2025

	2025 *RMB'000*	2024 *RMB'000*
LOSS FOR THE YEAR	**(228,865)**	(235,396)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Translation difference of the financial statements of group companies into presentation currency	**–**	(11)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**–**	(11)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**–**	(11)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(228,865)**	(235,407)
Attributable to:		
Owners of the parent	**(230,487)**	(235,926)
Non-controlling interests	**1,622**	519
	(228,865)	(235,407)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property and equipment		**17,002**	12,645
Right-of-use assets		**939**	2,040
Investment properties		**195,000**	247,740
Goodwill		**203,289**	323,000
Other intangible assets		**26,561**	30,584
Investments in associates		**564**	771
Finance lease receivables		**8,059**	8,915
Deferred tax assets		**62,259**	61,935
Total non-current assets		**513,673**	687,630
CURRENT ASSETS			
Finance lease receivables		**864**	42,186
Trade receivables	*9*	**386,131**	342,377
Due from related companies		**–**	32,367
Prepayments, other receivables and other assets		**97,646**	97,716
Cash and bank balances		**540,551**	572,211
Total current assets		**1,025,192**	1,086,857
CURRENT LIABILITIES			
Trade payables	*10*	**191,918**	134,945
Other payables and accruals		**441,567**	415,252
Due to related companies		**35**	1,456
Interest-bearing bank and other borrowings	*11*	**42,570**	56,650
Tax payable		**102,124**	99,851
Lease liabilities		**41,665**	81,446
Total current liabilities		**819,879**	789,600
NET CURRENT ASSETS		**205,313**	297,257
TOTAL ASSETS LESS CURRENT LIABILITIES		**718,986**	984,887

	Notes	**2025**	2024
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**–**	3,020
Lease liabilities	*11*	**88,393**	118,691
Deferred tax liabilities		**6,611**	10,945
Other payables		**11,593**	7,969
Total non-current liabilities		**106,597**	140,625
NET ASSETS		**612,389**	844,262
EQUITY			
Equity attributable to owners of the parent			
Share capital		**7,867**	7,867
Reserves		**603,366**	833,853
		611,233	841,720
Non-controlling interests		**1,156**	2,542
TOTAL EQUITY		**612,389**	844,262

NOTES TO FINANCIAL STATEMENTS
31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company incorporated in the Cayman Islands on 17 December 2018. The registered office address of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company's subsidiaries are principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services for residential and non-residential properties, commercial operational management services in Chinese Mainland.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 July 2020 (the "**Listing Date**").

In the opinion of the directors of the Company, the ultimate controlling shareholder of the Group is Mr. Ou Guowei together with his family members.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IAS 21	*Lack of Exchangeability (amendments)*

The nature and the impact of the revised IFRS Accounting Standards are described below:

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

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services and commercial operational management services. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

During the year, the Group operated within one geographical location because all of its revenue was generated in Mainland China and all of its long-term assets/capital expenditure were located/incurred in Mainland China. Accordingly, no geographical information is presented.

Information about major customers

There was no revenue from sales to a single customer or a group of customers under common control amounting to 10% or more of the Group's revenue for the years ended 31 December 2024 and 2025.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents income from property management services, value-added services to non-property owners, community value-added services and brand and management output services during the year.

An analysis of revenue and other income and gains is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,013,521**	1,065,245
Revenue from other sources		
– Sublease services	**49,055**	48,688
Total	**1,062,576**	1,113,933

Revenue from contracts with customers

(i) Disaggregated revenue information

	Property management services	**Value-added services to non-property owners**	**Community value-added services**	**Brand and management output services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
2025					
Type of services					
Rendering of services	**780,243**	**43,899**	**159,675**	**29,704**	**1,013,521**
Geographical market					
Mainland China	**780,243**	**43,899**	**159,675**	**29,704**	**1,013,521**
Timing of revenue recognition					
Revenue recognised over time	**780,243**	**40,030**	**57,193**	**23,485**	**900,951**
Revenue recognised at a point in time	**–**	**3,869**	**102,482**	**6,219**	**112,570**
Total	**780,243**	**43,899**	**159,675**	**29,704**	**1,013,521**
2024					
Type of services					
Rendering of services	830,266	58,470	148,414	28,095	1,065,245
Geographical market					
Mainland China	830,266	58,470	148,414	28,095	1,065,245
Timing of revenue recognition					
Revenue recognised over time	830,266	53,423	32,388	24,433	940,510
Revenue recognised at a point in time	–	5,047	116,026	3,662	124,735
Total	830,266	58,470	148,414	28,095	1,065,245

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

	2025	2024
	RMB'000	*RMB'000*
Property management services, and brand and management output services	**149,175**	163,903

(ii) ***Performance obligations***

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

Property management services and value-added services to non-property owners

For property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value to the customer of the Group's performance to date on a monthly or quarterly basis. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Community value-added services

The services are rendered in a short period of time which is generally less than a year and there was no unsatisfied performance obligation at the end of each of the reporting period.

Brand and management output services

For brand and management output services to property owners, the Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value to property owners of the Group's performance to date on a monthly or quarterly basis. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Other income and gains

	2025	2024
	RMB'000	*RMB'000*
Interest income	**288**	661
Government grants*	**2,932**	2,352
Rental income	**2,226**	2,596
Finance income from finance leases	**729**	3,695
Gain on derecognition of right-of-use assets for a sublease	**–**	11,985
Others	**2,642**	1,869
Total	**8,817**	23,158

* During the year ended 31 December 2025, various government grants have been received for operation in Jiangsu province, Fujian province and Shanghai, Mainland China, to reward business performance and support operational development of enterprises in that area. There are no unfulfilled conditions or contingencies relating to these grants.

5. LOSS BEFORE TAX

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

	2025	2024
	RMB'000	*RMB'000*
Cost of service provided*	**597,224**	571,134
Depreciation of property and equipment	**9,084**	3,957
Depreciation of right-of-use assets	**1,101**	1,175
Amortisation of other intangible assets	**6,852**	7,464
Lease payments not included in the measurement of lease liabilities	**4,590**	3,780
Auditor's remuneration	**1,500**	2,000
Impairment losses of financial assets, net		
(Reversal of impairment losses)/impairment losses of finance lease receivables, net	**(1,110)**	1,344
Impairment losses of trade receivables, net	**53,395**	31,181
Impairment losses of due from related parties, net	**5,306**	5,169
Impairment losses of other receivables, net	**4,020**	1,197
Impairment losses of goodwill	**119,711**	214,777
Employee benefit expense (including directors' and chief executive's remuneration:		
Wages, salaries and other allowances	**337,830**	353,942
Pension scheme contributions and social welfare	**50,845**	57,810
Total	**388,675**	411,752

* Cost of services provided represents "Cost of sales" in the consolidated statement of profit or loss excluding employee benefit expense, depreciation of property and equipment, depreciation of right-of-use assets and amortisation of other intangible assets.

6. INCOME TAX EXPENSE

The Group is entitled to income tax expense on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax expense. The Group's subsidiary incorporated in Hong Kong was not liable for income tax expense as it did not have any assessable profits arising in Hong Kong during the reporting period.

The general corporate income tax rate in PRC is 25%. Certain of the Group's subsidiaries enjoy the preferential income tax treatment for Small and Micro Enterprise ("**SLE**") with the income tax rate of 20% and are eligible to have their tax calculated based on 25% or 50% of their taxable income. One of the Group's subsidiaries is located in Economic Area of GuangXi North Bay in western regions of China and enjoy the preferential income tax rate of 9%.

	2025	2024
	RMB'000	*RMB'000*
Current – Mainland China:		
Charge for the year	**17,026**	37,900
Deferred tax	**(4,658)**	(7,316)
Total tax charge for the year	**12,368**	30,584

A reconciliation of income tax expense applicable to loss before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective tax rate for the reporting period is as follows:

	2025	2024
	RMB'000	*RMB'000*
Loss before tax	**(216,497)**	(204,812)
At the statutory tax rate	**(54,124)**	(51,203)
Lower tax rate for specific provinces or enacted by local authority	**4,010**	8,099
Expenses not deductible for tax	**47,932**	56,032
Tax losses utilised from previous years	**(119)**	(769)
Temporary differences not recognised	**35,996**	10,053
Tax losses not recognised	**(21,327)**	8,372
Tax charge at the Group's effective rate	**12,368**	30,584

7. DIVIDENDS

The directors do not recommend any interim or final dividend in the respective of the period/year.

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,037,500,000 (2024: 1,037,500,000) outstanding during the year.

The Group had no potential dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

The calculation of basic loss per share is based on:

	2025	2024
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	**(230,487)**	(235,915)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation	**1,037,500,000**	1,037,500,000

9. TRADE RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**678,502**	442,808
Impairment	**(292,371)**	(100,431)
Total	**386,131**	342,377

Trade receivables mainly arise from property management services, value-added services to non-property owners, community value-added services and brand and management output services, and are due for payment upon the issuance of the demand notes in accordance with the terms of the relevant agreements.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**300,926**	290,394
1 to 2 years	**67,498**	47,176
2 to 3 years	**17,707**	4,807
Total	**386,131**	342,377

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of year	**100,431**	83,048
Balance transferred from due from related parties	**182,662**	–
Impairment losses, net *(note 5)*	**53,395**	31,181
Amount written off as uncollectible	**(44,117)**	(13,798)
At end of year	**292,371**	100,431

The increase in the loss allowance during the year ended 31 December 2025 was due to the significant changes in the gross carrying amount of the trade receivables which were past due and certain special provision made for the credit-impaired customers that the Group is unlikely to receive the outstanding contractual amounts in full.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 December 2025

	Less than 1 year	**Past Due 1 to 2 years**	**Past Due 2 to 3 years**	**Total**
Expected credit loss rate	**8.5%**	**36.8%**	**81.4%**	**22.8%**
Gross carrying amount *(RMB'000)*	**312,536**	**96,273**	**53,222**	**462,031**
Expected credit losses *(RMB'000)*	**26,499**	**35,430**	**43,317**	**105,246**

31 December 2024

	Less than 1 year	Past Due 1 to 2 years	Past Due 2 to 3 years	Total
Expected credit loss rate	5.8%	38.9%	91.6%	22.7%
Gross carrying amount *(RMB'000)*	308,426	77,220	57,162	442,808
Expected credit losses *(RMB'000)*	18,032	30,044	52,355	100,431

Set out below is the information about the credit risk exposure on the Group's trade receivables from former related parties by applying a loss rate approach with reference to the historical loss record of the Group:

31 December 2025

	Gross carrying amount ***RMB'000***	**Expected credit loss rate**	**Expected credit losses** ***RMB'000***
Due from former related companies	**216,471**	**86.4%**	**187,125**

In addition, the trade receivables from related parties amounted to RMBnil as at 31 December 2025 (2024: RMB32,367,000).

10. TRADE PAYABLES

An aging analysis of the trade payables as at the end of year, based on the invoice date, is as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Within 1 year	**154,063**	116,999
Over 1 year	**37,855**	17,946
Total	**191,918**	134,945

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

	At 31 December 2025		
	Effective interest rate ***(%)***	**Maturity**	***RMB'000***
Current			
Bank loans – secured	**4.25-5**	**2026**	**32,800**
Bank loans – unsecured	**4**	**2026**	**6,750**
Current portion of long term			
Bank loans – secured	**5**	**2026**	**3,020**
Total – current			**42,570**
Non-current			
Bank loans – secured	**–**	**–**	**–**
Total			**42,570**

	At 31 December 2024		
	Effective interest rate *(%)*	Maturity	*RMB'000*
Current			
Bank loans – secured	5	2025	43,850
Bank loans – unsecured	2.1-5	2025	6,760
Current portion of long term			
Bank loans – secured	5	2025	6,040
Total – current			56,650
Non-current			
Bank loans – secured	5	2026	3,020
Total			59,670

	2025 ***RMB'000***	2024 *RMB'000*
Analysed into:		
Repayable within 1 year	**42,570**	56,650
Repayable within 2 to 5 years	**–**	3,020
Total	**42,570**	59,670

The Group's borrowings are all denominated in RMB and bore interest at fixed rates.

As at 31 December 2025, the Group's bank borrowings of RMB3,020,000 (2024: RMB9,060,000) were guaranteed by Zhenro Group Company and pledged by 70% equity interests of Jiangsu Sutie Property Management Co., Ltd., a subsidiary of the Group.

As at 31 December 2025, the Group's bank borrowings of RMB32,800,000 (2024: RMB43,850,000) were guaranteed by Zhenro Group Company and Mr. Ou Zongrong.

As at 31 December 2025, the Group's bank borrowings of RMB32,800,000 (2024: RMB43,850,000) were pledged by the Group's car park spaces with a carrying amount of RMB21,000,000 (2024: RMB21,000,000).

12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2026.

CHAIRMAN'S STATEMENT

Dear Shareholders, Partners and all Colleagues:

I am pleased to present to you the annual results of the Group for the Reporting Period.

RESULTS REVIEW

During the Reporting Period, the revenue of the Group was approximately RMB1,062.6 million, representing a decrease of approximately 4.6% as compared with the revenue of approximately RMB1,113.9 million for the same period of 2024; the loss of the Group was approximately RMB228.9 million, as compared with the loss of approximately RMB235.4 million for the same period of 2024; the loss attributable to owners of the parent was approximately RMB230.5 million, as compared with the loss of approximately RMB235.9 million for the same period of 2024.

2025 Business Review: Stabilizing the Foundation, Refining and Accumulating Strength, and Steadily Navigating Industry Adjustment Cycles

In 2025, China's property service and commercial operation industry entered a stage of profound adjustment and structural reshaping. The industrial development shifted from scale expansion to a new cycle of high-quality development featuring **quality and efficiency enhancement, refined operation, technology empowerment and value growth**. Faced with complex external environment and internal transformation tasks, Zhenro Services has always been adhering to the core value of "attaining prosperity with integrity"(正直構築繁榮), and insisting on the overall strategy of **stabilizing operations, preventing risks, improving quality and efficiency, and promoting innovation**. By maintaining our core base amidst pressure and forging our core capabilities through transformation, we laid a solid strategic foundation for the Group's high-quality development in 2026.

I. Improve the quality of basic services to stabilize foundations

Property services continued to deepen quality standards and refined management. With Happiness Spectrum 2.0 as the core, we implemented eight special quality improvement initiatives and launched AI assistants, making our customer satisfaction maintain at an excellent level in the industry. In commercial operations, we strengthened the synergy between tenants attraction and operations, optimized business structure, strengthened the empowerment of merchants, continued to improve the operation of key projects, and stably implemented the asset-light export model.

II. Market expansion efforts yield significant results

The property services focused on key regions such as the Yangtze River Delta, the Guangdong-Hong Kong-Macau Greater Bay Area, Tianjin-Shandong-Henan, Chengdu-Chongqing regions and Central and Southern Region, deepened the development in sectors such as commercial and office buildings, school, finance and industrial parks, implemented an expansion mechanism of "Regional Head Responsibility" in areas with strong resource advantages, and achieved major breakthroughs in the fields of rail transit and urban renewal. The commercial operation adopted an expansion strategy of "empowering with asset-light model and improving efficiency through large-scale operation". The footprint was steadily expanded with over 50 potential projects in the pipeline; the "Wonderful Customization+" service system was launched, with profits from external expansion exceeding expectations; and the cooperation model became increasingly mature, laying a solid foundation for scale expansion.

III. Enhanced efficiency through value-added services

Businesses such as community retail and lifestyle services flourished in many areas, and remarkable achievements were made in the aspects of door-to-door service and cost reduction. We successfully linked up with leading resources across the industry and introduced strategic partners in the areas of health management and cultural experience. By establishing a profit growth mechanism that synergizes demand matching with self-operated business, the profit structure has been effectively optimized, and the ecosystem of lifestyle services has been increasingly improved.

IV. Iterative upgrading of organization and management

Focusing on the philosophy of "optimizing our headquarter, refining our platforms and strengthening our projects", we optimized organizational structure and business processes, and strengthened performance-oriented employment mechanism, which continuously improved the professionalism of our cadre team and workforce, and unleashed our organizational resilience and development vitality.

2026 Strategic Plan: Improving Quality and Efficiency, Innovating and Leaping Forward, Embarking on a New Journey of High-Quality Development

This year is a pivotal year for the Group's **strategic deepening, capability upgrading, and value leap**. The Company will focus on high-quality development, employing core strategies such as improving existing efficiency, expanding new capacity, innovation-driven growth, digital empowerment, and organizational activation to comprehensively enhance operational quality, service quality, and profitability, achieving sustainable, resilient, and high-value development goals.

I. Deeply cultivating basic services to solidify our foundation for quality

In property segment, we will comprehensively implement the refined management measures of "one household, one policy", strengthen the assessment mechanism through mystery shopper evaluations and owner satisfaction surveys, and incorporate problem-solving skills and emotional value into the KPI system for the manager service; while in commercial businesses segment, we will accelerate the transformation from "focusing on tenants attraction" to "emphasizing both tenants attraction and operations," and focus on the synergistic improvement of occupancy rates, collection rates and operating efficiency, implementing targeted measures for underperforming projects, and improving the quality and efficiency for stable projects.

II. Strengthening market expansion to consolidate leading advantages

We will continue to deepen core regions and advantageous business types, focus on the development of industrial parks, urban services and featured business types, improve the investment decision and risk control system to improve the quality and profit contribution of external expansion; and we will accelerate the standardization output and large-scale expansion of commercial light-assets, and establish a synergistic development model of asset-light and asset-heavy businesses to enhance market share and industrial influence.

III. Expanding innovative businesses to create a growth engine

With quality development as the core, the value-added services cover core businesses such as lifestyle services, asset entrustment and new retail, and integrate resources to address the needs of "the elderly and the young" as well as cultural and entertainment services. The Group will benchmark against advanced, innovate business models in the industry, deepen innovative businesses with the potential of growing in new sectors, such as property and business linkage, health consulting, park energy management and value-added outreach, so as to increase the proportion of self-operated business and input-output efficiency, and build a stable and profitable second growth curve.

IV. Digital empowerment and AI applications to improve operational accuracy

We will comprehensively promote the application of AI tools, establish individual files for each household, and implement data-driven benchmarking management to empower service, operation, and decision-making processes with technology, thereby improving process efficiency, reducing costs, increasing management transparency, and enhancing service precision.

V. Upgrading the organization and incentives to activate internal motivation

We will promote the organization from "solving problems" to "capacity building", implement a new strategic value evaluation and incremental incentive system, support effectiveness indicators and rank-based performance evaluation system, and precisely allocate resources to problem-solving teams and high-contribution talents. Adhering to the principle of "the capable are promoted, the average step aside, and the underperformers are replaced", we will build a team capable of winning battles through cadre planning, talent pool and training empowerment. Adhering to the values of "pursuing excellence and adhering to the bottom line", we will secure the implementation of strategies with efficient organizational capabilities and unlock long-term value.

CONCLUSION

In 2026, the Group will remain customer-centric, value-oriented and development-driven, and will strive to improve quality and efficiency as well as achieve leapfrog innovation. We will unite our efforts and work hard to reward our shareholders, partners and employees with higher standards and better performance, and jointly create a new chapter in high-quality development!

Finally, I would like to express my sincere gratitude to all shareholders, investors, partners and all employees of Zhenro Services for their perseverance and dedication throughout the year! May we move steadily towards a brighter future and achieve great things!

Zhenro Services Group Limited
Liu Weiliang
Chairman of the Board

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business model of the Group

The Group has four business lines, namely, (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) commercial operational management services, offering integrated services to its customers that covers the entire value chain of property management.

- Property management services. The Group provides a wide range of property management services to property developers, property owners, residents and commercial property tenants. The Group's property management services primarily include (i) cleaning services; (ii) security services; (iii) landscaping services; and (iv) repair and maintenance services for both residential and non-residential properties and commercial properties.

- Value-added services to non-property owners. The Group offers a comprehensive range of property-related business solutions to non-property owners, which primarily include property developers. The Group's value-added services to non-property owners primarily consist of (i) sales assistance services (involving assistance to property developers in showcasing and marketing their properties, cleaning and maintenance services, security and visitor management services); (ii) additional tailored services customised to meet specific needs of customers on an as-needed basis and sales of goods; (iii) housing repair services; (iv) preliminary planning and design consultancy services; and (v) pre-delivery inspection services.

- Community value-added services. The Group provides community value-added services to property owners and residents. The community value-added services primarily include (i) home-living services; (ii) car park management, leasing assistance and other services; and (iii) common area value-added services to improve the living experience of customers and to maintain and enhance the value of their properties.

- Commercial operational management services. The Group provides commercial operational management services to the tenants and the customers, which primarily include (i) brand and management output services; and (ii) sublease services.

The Group believes that its property management service business line serves as the basis for the Group to generate revenue, expand its business scale, and increase its customer base for its community value-added services to property owners and residents. The Group's provision of value-added services to non-property owners enables it to gain early access to property development projects and establish and cultivate business relationships with the property developers, enhancing the Group's competitive advantage in securing engagements for property management services. The comprehensive range of the Group's community value-added services business line helps to enhance its relationship with customers and improve their satisfaction and loyalty. The Group believes that its four business lines will continue to enable it to gain greater market shares and expand its business presence in China.

PROPERTY MANAGEMENT SERVICES

Continual Optimization in Both Area and Scale

The Group adhered to the strategic target to steadily expand its management coverage area, and has achieved steady growth in contracted GFA and GFA under management through multiple efforts. As at 31 December 2025, the Group's contracted GFA amounted to approximately 101.5 million sq.m., representing a decrease of 6.6% as compared with that as at 31 December 2024, and the number of contracted projects totalled 419. As at 31 December 2025, GFA under management of the Group's property management services was approximately 75.7 million sq.m., representing a decrease of approximately 5.7% as compared with that as at 31 December 2024. As at 31 December 2025, the number of projects under management by the Group totalled 344.

The table below indicates the movement in the Group's contracted GFA and GFA under management for the years ended 31 December 2025 and 2024 respectively:

	For the year ended 31 December			
	2025		2024	
	Contracted GFA ***('000 sq.m.)***	**GFA under management** ***('000 sq.m.)***	Contracted GFA *('000 sq.m.)*	GFA under management *('000 sq.m.)*
As of the beginning of the period	**108,716**	**80,307**	109,643	80,763
New engagements (1)	**1,104**	**172**	159	105
Terminations (2)	**(8,271)**	**(4,784)**	(1,086)	(561)
As of the end of the period	**101,549**	**75,695**	108,716	80,307

Notes:

(1) With respect to residential communities the Group managed, new engagements primarily included preliminary management contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.

(2) These terminations included the Group's voluntary non-renewal of certain property management service contracts as it reallocated its resources to more profitable engagements in an effort to optimise its property management portfolio.

Geographic presence of the Group

As at 31 December 2025, the Group had geographic presence in 46 cities in China.

The table below sets forth a breakdown of the Group's total GFA under management as at the dates indicated and total revenue generated from property management services by geographic location for the years ended 31 December 2025 and 2024 respectively:

	As at 31 December or for the year ended 31 December					
	2025			2024		
	GFA under management *('000 sq.m.)*	**Revenue** *RMB'000*	**Regional revenue as a percentage of total revenue** *%*	GFA under management *('000 sq.m.)*	Revenue *RMB'000*	Regional revenue as a percentage of total revenue *%*
Yangtze River Delta Region[(1)]	**24,142**	**349,419**	**44.8**	26,323	358,848	41.6
Bohai Rim Region[(2)]	**2,490**	**34,694**	**4.4**	2,734	48,394	5.7
Midwest Economic Region[(3)]	**24,070**	**193,933**	**24.9**	25,629	196,579	25.5
Western Straits Region[(4)]	**24,993**	**202,197**	**25.9**	25,572	226,444	27.2
Total	**75,695**	**780,243**	**100.0**	80,258	830,265	100.0

Notes:

(1) Cities in which the Group has property management projects in the Yangtze River Delta Region include Shanghai, Nanjing, Suzhou, Hefei, Jiaxing, Taizhou, Chuzhou, Lu'an, Wuhu, Huzhou, Xuancheng, Chaohu, Fuyang, Taizhou, Xuzhou, Suqian and Wuxi.

(2) Cities in which the Group has property management projects in the Bohai Rim Region include Tianjin, Jinan, Luoyang and Zhengzhou.

(3) Cities in which the Group has property management projects in the Midwest Economic Region include Nanchang, Yichun, Changsha, Wuhan, Xi'an, Ganzhou, Suizhou, Yueyang, Chongqing, Chengdu, Ji'an, Huanggang, Shiyan, Xiangfan, Guangyuan, Kunming and Xianyang.

(4) Cities in which the Group has property management projects in the Western Straits Region include Fuzhou, Putian, Nanping, Quanzhou, Sanming, Zhangzhou, Xiamen and Foshan.

VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

The Group provides value-added services to non-property owners, which mainly comprise (i) sales assistance services (involving providing assistance to property developers in showcasing and marketing their properties, cleaning and maintenance services, and security and visitor management services); (ii) additional tailored services customised to meet specific needs of its customers on an as-needed basis, and sales of goods; (iii) housing repair services; (iv) preliminary planning and design consultancy services; and (v) pre-delivery inspection services. Most of these non-property owners are property developers.

For the year ended 31 December 2025, revenue from value-added services provided to non-property owners decreased by 24.9% to approximately RMB43.9 million compared to approximately RMB58.5 million in the same period of 2024, mainly due to the decreased demand for services such as sales assistance services and housing repair services in the real estate pre-sale projects developed by the Group and the partner property developers. For the year ended 31 December 2025, the revenue from value-added services to non-property owners accounted for 4.4% of the total revenue of the Group.

The following table sets forth the revenue breakdown of value-added services provided to non-property owners for the years ended 31 December 2025 and 2024:

	For the year ended 31 December			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Sales assistance services	**22,753**	**51.8**	32,563	55.8
Additional tailored services	**19,808**	**45.1**	15,872	27.1
Housing repair services	**281**	**0.6**	8,621	14.7
Preliminary planning and design consultancy services	**152**	**0.3**	74	0.1
Pre-delivery inspection services	**905**	**2.1**	1,340	2.3
Total	**43,899**	**100.0**	58,470	100.0

COMMUNITY VALUE-ADDED SERVICES

The Group provides community value-added services to property owners and residents of properties under management, which mainly comprise (i) home-living services; (ii) car park management, leasing assistance and other services; and (iii) common area value-added services.

For the year ended 31 December 2025, the revenue from community value-added services increased by 7.6% to approximately RMB159.7 million compared to approximately RMB148.4 million in the same period of 2024, mainly due to the increase in the demand of service users and the increase in the offering of diversified home living products. For the year ended 31 December 2025, revenue from community value-added services accounted for 15.0% of the total revenue of the Group.

The following table sets forth the revenue breakdown of community value-added services for the years ended 31 December 2025 and 2024:

	For the year ended 31 December			
	2025		2024	
	RMB'000	*%*	*RMB'000*	*%*
Home-living services[1]	**108,466**	**67.9**	111,277	75.0
Car park management, leasing assistance and other services[2]	**21,423**	**13.4**	18,944	12.8
Common area value-added services[3]	**29,786**	**18.7**	18,193	12.2
Total	**159,675**	**100.0**	148,414	100.0

Notes:

(1) It mainly includes services such as cleaning, group purchase, turnkey furnishing, home maintenance, value-added services related to tenants of commercial properties and utility fee collection services.

(2) It mainly includes management and assistance of parking lot leasing, provision of real estate brokerage services related to properties and parking spaces to owners and other services.

(3) It mainly includes common area advertising space and service income from common area leasing.

COMMERCIAL OPERATIONAL MANAGEMENT SERVICES

Since the Group's acquisition of Zhenro Commercial Management Co., Ltd. in 2021, it has engaged in the provision of commercial operational management services to tenants and customers, which primarily include (i) brand and management output services; and (ii) sublease services.

As at 31 December 2025, the number of commercial operation projects under management of the Group was 33, and the total GFA under management was approximately 1.7 million sq.m.. During the Reporting Period, the commercial operation projects under management were located in, among other cities, Fuzhou, Changsha, Putian, Shanghai, Taixing, Zhuzhou and Xi'an. During the Reporting Period, the revenue of commercial operational management services was approximately RMB78.8 million.

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from four major businesses: (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) commercial operational management services. During the Reporting Period, the Group's revenue amounted to approximately RMB1,062.6 million, representing a decrease of approximately 4.6% as compared with RMB1,113.9 million in the same period of 2024.

The following table sets out the revenue contribution of each business segment during the periods indicated:

	For the year ended 31 December				
	2025	**Percentage of revenue**	2024	Percentage of revenue	Growth rate
	RMB'000	***%***	*RMB'000*	*%*	*%*
Property management services	**780,243**	**73.4**	830,266	74.5	(6.0)
Value-added services to non-property owners	**43,899**	**4.1**	58,470	5.2	(24.9)
Community value-added services	**159,675**	**15.0**	148,414	13.3	7.6
Commercial operational management services	**78,759**	**7.5**	76,783	7.0	2.6
Total	**1,062,576**	**100.0**	1,113,933	100.0	(4.6)

Property management services has remained the largest source of income for the Group. During the Reporting Period, revenue from property management services reached approximately RMB780.2 million, accounting for 73.4% of the total revenue of the Group. The decrease in revenue was due to the decrease in the number of the Company's projects and GFA under management as a result of intensified market competition. The Group continued to optimize its existing property management service portfolio and exited the underperforming projects. The decrease in value-added services to non-property owners was mainly due to the decreased demand for services such as sales assistance services and housing repair services in the real estate pre-sale projects developed by the Group and the partner property developers. The decrease in revenue from community value-added services was mainly attributable to the shrunk customer base served by the Group and the sluggish demand for the home-living products offered. The decrease in revenue from commercial operational management services was mainly due to the decrease in occupancy rate of commercial projects, as well as the rental concessions offered to tenants.

Cost of Sales

The cost of sales of the Group mainly includes staff costs, subcontracting costs, greening and landscaping costs, utilities expenses, tax and surcharges, depreciation and amortisation, office expenses and community activity costs.

During the Reporting Period, the cost of sales of the Group was approximately RMB889.2 million, remaining largely unchanged from approximately RMB881.0 million in the same period of 2024.

Gross profit and gross profit margin

During the Reporting Period, the Group's gross profit decreased by approximately 25.6% from approximately RMB232.9 million for the same period in 2024 to approximately RMB173.3 million.

During the Reporting Period, the gross profit margin of the Group decreased by 4.6 percentage points to 16.3% from 20.9% for the same period in 2024.

The gross profit margin of the Group by business line is as follows:

	For the year ended 31 December		
	2025	2024	Changes in gross profit margin
	Gross profit margin	*Gross profit margin*	*Percentage points*
	%	*%*	
Property management services	**16.4**	19.1	(2.7)
Value-added services to non-property owners	**14.9**	14.2	0.7
Community value-added services	**24.4**	25.3	(0.9)
Commercial operational management services	**30.7**	36.6	(5.9)
Total	**18.2**	20.9	(2.7)

Other income and gains

During the Reporting Period, the other income and gains of the Group decreased by approximately 61.9% from approximately RMB23.2 million for the same period in 2024 to approximately RMB8.8 million. The decrease was mainly due to the one-off recognition of gain on right-of-use assets for commercial sublease projects of the Group in 2024.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group decreased by approximately 1.0% from approximately RMB138.0 million for the same period in 2024 to approximately RMB137.1 million. During the Reporting Period, administrative expenses accounted for 12.9% of the revenue, representing an increase of 0.5 percentage points as compared with 12.4% in the same period in 2024, mainly due to the Company's efforts to enhance operational efficiency, optimize management structure, improve per capita effectiveness and strictly control cost expenditure.

Impairment of goodwill

During the Reporting Period, the goodwill impairment of the Group was approximately RMB119.7 million (2024: RMB214.8 million). Due to intensified market competition, the occupancy rate of the commercial projects decreased, which were operated by Zhenro Commercial Management Co., Ltd. (previously acquired by the Group in 2021), and the rental concessions offered to tenants increased, resulting in lower revenue and profit for the year than expected, and the Group therefore recognized corresponding impairment on goodwill. Subsequently, the Group has engaged in commercial negotiations with the leaseholder to secure more favorable lease terms, and will strive to improve operational efficiency and enhance tenant recruitment efforts to ensure steady growth in commercial operations.

Jiangsu Sutie Property Management Co., Ltd., which was acquired by the Group in 2019, experienced a decrease in the number of projects under management and a decline in the property collection rate, resulting in lower revenue and profit for the year than expected, and the Group therefore recognized corresponding impairment on goodwill.

Income tax

During the Reporting Period, the income tax expense of the Group decreased by approximately 59.6% from approximately RMB30.6 million for the same period in 2024 to approximately RMB12.4 million. The decrease was mainly due to decrease in profits generated from the property segment.

Loss attributable to owners of the parent

During the Reporting Period, the loss attributable to owners of the parent for the period was approximately RMB230.5 million, as compared to approximately RMB235.9 million for the same period in 2024.

Property and equipment

The property and equipment of the Group mainly included buildings, office equipment, electronic equipment and other assets. As at 31 December 2025, the property and equipment of the Group was approximately RMB17.0 million, representing an increase of approximately RMB4.4 million or 35.0% as compared to approximately RMB12.6 million as at 31 December 2024. The increase was mainly due to the Company's capitalisation of the improvement expenditure as property and equipment.

Trade receivables

The Group's trade receivables mainly derived from its revenue from property management services and value-added services provided to non-property owners. As at 31 December 2025, the Group's trade receivables amounted to approximately RMB386.1 million, representing an increase of approximately RMB43.7 million or approximately 12.8% as compared to approximately RMB342.4 million as at 31 December 2024. The increase was mainly due to the fact that receivables from former related parties were included in trade receivables and the collection rate decreased during the year, resulting in an increase in the balance of trade receivables.

Prepayments, deposits and other receivables

The Group's prepayments, deposits and other receivables primarily consisted of payments made on behalf of our property owners such as payments for the utility bills and public facility maintenance fund, as well as security deposits with local authorities and deposits in relation to the public biddings. As at 31 December 2025, the Group's prepayments, deposits and other receivables amounted to approximately RMB97.6 million, which was quite stable as compared with approximately RMB97.7 million as at 31 December 2024.

Trade payables

As at 31 December 2025, the Group's trade payables amounted to approximately RMB191.9 million, representing an increase of approximately 42.2% from approximately RMB134.9 million as at 31 December 2024. The increase was mainly attributable to the Company's strengthening of fund payment management and extension of payment terms for cooperation.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet the funding requirements of the Group in the foreseeable future.

During the Reporting Period, the Group's cash was mainly used for working capital and acquisition of subsidiaries, which was mainly funded from cash flow generated from operations and proceeds raised from the Company's initial public offering.

The Group's interest-bearing and other borrowings were all denominated in RMB and bore interest at fixed rates. As at 31 December 2025, the borrowings of the Group amounted to RMB42.6 million, compared to RMB59.7 million as at 31 December 2024. From the respective drawdown dates, the Group's interest-bearing and other borrowings repayable within one year were RMB42.6 million as at 31 December 2025, while the Group's borrowings repayable within one year were RMB56.7 million and repayable within 2 to 5 years were RMB3.0 million as at 31 December 2024. Except as disclosed herein and apart from intra-group liabilities, the Group did not have any outstanding loan capital, bank overdrafts and liabilities, or other similar indebtedness, debentures, mortgages, charges or loans as at 31 December 2025.

PLEDGE OF ASSETS

As at 31 December 2025, the Group's bank borrowings, in the amount of RMB3,020,000 (31 December 2024: RMB9,060,000) were pledged by 70% equity interests of Jiangsu Sutie Property Management Co., Ltd., a subsidiary of the Group.

As at 31 December 2025, the Group's bank borrowings of RMB32,800,000 (31 December 2024: RMB43,850,000) were pledged by the Group's car park spaces.

FINANCIAL RISKS

INTEREST RATE RISK

The Group's exposure to risk for changes in interest rates is primarily related to the Group's interest-bearing bank and other borrowings. The Group was not exposed to material risk directly relating to changes in market interest rates. The Group did not use derivative financial instruments to hedge interest rate risk. The Group's all bank borrowings were obtained with fixed interest rates.

FOREIGN EXCHANGE RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles its transactions is mainly RMB. Any depreciation of RMB would adversely affect the value of any dividends the Group pays to shareholders outside of the PRC. The Group has no cash at banks denominated in foreign currencies. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk.

DEBT TO ASSET RATIO

As at 31 December 2025, the Group's debt to asset ratio was 0.07 times, which was the same as at 31 December 2024. Debt to asset ratio equals interest-bearing bank and other borrowings divided by total equity.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Reporting Period, there were no significant investments held by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2025, save as its planned investments in the information management system and "Rong Wisdom (榮智慧)" service software funded by the net proceeds as described under "USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING" in this announcement, the Group had no future plans for material investments or capital assets.

EMPLOYEES

As at 31 December 2025, the Group had approximately 3,109 employees (31 December 2024: approximately 3,270 employees). During the Reporting Period, the total staff costs were approximately RMB388.7 million (31 December 2024: approximately RMB411.8 million).

In terms of talent training, the Group will further enhance its employee training program with internal and external resources. The employee training program primarily covers key areas in the Group's business operations, which provides continuous training to its existing employees at different levels to specialise and strengthen their skill sets.

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to its staff is fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus is paid to employees after assessments to reward their contributions. The Group also participates in social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees a 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 mandatory provident fund schemes on behalf of its employees.

In determining the remuneration and compensation packages of the Directors and senior management, the Group will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds raised in connection with the initial public offering of the Company in July 2020 (including the exercise of the over-allotment option) amounted to approximately HK$1,267.7 million (equivalent to approximately RMB1,141.7 million) (the "**Net Proceeds**").

The proposed use of the Net Proceeds (as reallocated and announced on 19 May 2021) and the actual usage of the Net Proceeds up to 31 December 2025 are set out below:

Proposed use of Net Proceeds	**Net Proceeds Re-allocated** *RMB million*	**Unutilized Net Proceeds as at 1 January 2025** *RMB million*	**Utilized Net Proceeds from 1 January 2025 to 31 December 2025** *RMB million*	**Unutilized Net Proceeds as at 31 December 2025** *RMB million*	**Expected time of full utilization***
Development of the Group's information management system	228.3	67.6	40.7	26.9	Before 31 December 2026
Further development of the Group's "Rong Wisdom (榮智慧)" service software	171.2	50.9	24.5	26.4	Before 31 December 2026
General business operations and working capital	114.2	–	–	–	Not applicable
Acquisition of Zhenro Commercial Management	628.0	–	–	–	Not applicable
Total	**1,141.7**	**118.5**	**65.2**	**53.3**	

* As the development progress of the information management system and "Rong Wisdom (榮智慧)" service software takes longer time than expected, the expected time of full utilization will be postponed to before 31 December 2026.

OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares as defined by the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")) during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any treasury shares.

FINAL DIVIDEND

The Board resolved not to recommend any final dividend for the year ended 31 December 2025 (2024: nil).

EVENTS AFTER THE REPORTING PERIOD

(1) Mr. Au Yeung Po Fung has resigned as the independent non-executive Director and the chairman of the remuneration committee of the Company with effect from 28 January 2026, due to his other business and work commitments; and

(2) Mr. Xu Mo has been appointed as the independent non-executive Director and the chairman of the remuneration committee of the Company with effect from 28 January 2026.

Save as disclosed above, from the end of the Reporting Period to the date of this announcement, no significant event affecting the Company and its subsidiaries has taken place.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (the "**AGM**") of the Company will be held on Friday, 26 June 2026. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website and dispatched to the shareholders of the Company (if requested). For the purpose of determination of eligibility to attend, speak and vote at the AGM, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend, speak and vote at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Monday, 22 June 2026. Shareholders whose names appear on the register of members of the Company on Friday, 26 June 2026, being the record date for the AGM, will be entitled to attend and vote at the AGM.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining and strengthening high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness, so as to safeguard and protect the interests of its shareholders and to enhance corporate value and accountability system. The Company has adopted the principles and code provisions of the Corporate Governance Code ("**Corporate Governance Code**") as contained in Part 2 of Appendix C1 to the Listing Rules as in force from time to time as the basis of the Company's corporate governance practices.

During the Reporting Period, the Company has complied with all applicable code provisions set out in the Corporate Governance Code. The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Corporate Governance Code and maintaining high standard corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the guidelines contained in the Model Code throughout the Reporting Period.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of not less than 25% as required under the Listing Rules during the Reporting Period and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, (i) reviewing and supervising financial reporting process, internal control system, risk management and internal audit of the Group; (ii) providing recommendations to the Board; and (iii) performing other duties and responsibilities as may be assigned by the Board.

The Audit Committee comprises of three members, namely Ms. Wei Qin and Mr. Zheng Yilei and, who are independent non-executive Directors, and Mr. Liu Weiliang, who is a non-executive Director. Ms. Wei Qin has been appointed as the chairman of the Audit Committee, and Ms. Wei Qin has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The annual results of the Company for the year ended 31 December 2025 had been reviewed by the Audit Committee before being recommended to the Board for approval.

The Audit Committee has reviewed and discussed the annual results of the Company for the year ended 31 December 2025 with the management and the external auditor of the Company. The Group's auditor agreed that the figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement are consistent with the figures set out in the Group's consolidated financial statements for the year.

SCOPE OF WORK OF THE AUDITOR

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2025, but represents an extract from the consolidated financial statements for the year ended 31 December 2025 which have been audited by the auditor of the Company, CCTH CPA Limited, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk), as well as the website of the Company (www.zhenrowy.com). The annual report of the Company will be despatched to the shareholders of the Company (if requested), and will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Zhenro Services Group Limited
Liu Weiliang
Chairman of the Board

Hong Kong, 25 March 2026

As of the date of this announcement, Mr. Deng Li and Mr. Wang Wei are the executive Directors; Mr. Liu Weiliang and Mr. Wang Zhiming are the non-executive Directors; and Mr. Xu Mo, Ms. Wei Qin and Mr. Zheng Yilei are the independent non-executive Directors.