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DOWELL SERVICE GROUP CO. LIMITED*

東原仁知城市運營服務集團股份有限公司

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

(Stock Code: 2352)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

1. The Group's revenue was approximately RMB1,524.9 million, representing a decrease of approximately 0.3% as compared with approximately RMB1,530.2 million for the year ended 31 December 2024.
2. The Group's revenue generated from its business segments are as follows:
 - (a) revenue from City Operation Services was approximately RMB1,138.2 million, accounting for approximately 74.6% of total revenue, representing an increase of approximately 6.6%, as compared with approximately RMB1,067.7 million for the year ended 31 December 2024;
 - (b) revenue from Lifestyle Services was approximately RMB215.1 million, accounting for approximately 14.1% of total revenue, representing an increase of approximately 0.7%, as compared with approximately RMB213.6 million for the year ended 31 December 2024;
 - (c) revenue from Comprehensive Health Services was approximately RMB137.0 million, accounting for approximately 9.0% of total revenue, representing a decrease of approximately 3.5%, as compared with approximately RMB141.9 million for the year ended 31 December 2024; and
 - (d) revenue from Other Comprehensive Services was approximately RMB34.6 million, accounting for approximately 2.3% of total revenue, representing a decrease of approximately 67.6%, as compared with approximately RMB107.0 million for the year ended 31 December 2024.

3. Gross profit was approximately RMB204.0 million, representing a decrease of approximately 1.9% as compared with approximately RMB207.9 million for the year ended 31 December 2024. Gross profit margin was approximately 13.4%, representing a decrease of approximately 0.2 percentage points from approximately 13.6% for the year ended 31 December 2024.
4. The Company recorded profit for the Reporting Period of approximately RMB35.4 million, instead of loss of approximately RMB61.6 million for the year ended 31 December 2024. Profit for the Reporting Period attributable to shareholders of the Company was approximately RMB27.8 million, whereas loss attributable to shareholders for the year ended 31 December 2024 was approximately RMB66.9 million.
5. The Board does not recommend payment of any final dividend for the year ended 31 December 2025 (2024: RMB0.03 per share (tax inclusive)).

The board (the “**Board**”) of directors (the “**Directors**”) of DOWELL SERVICE GROUP CO. LIMITED* 東原仁知城市運營服務集團股份有限公司(the “**Company**”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	<i>6</i>	1,524,935	1,530,201
Cost of sales		<u>(1,320,982)</u>	<u>(1,322,324)</u>
Gross profit		203,953	207,877
Selling and marketing expenses		(25,885)	(35,367)
Administrative expenses		(161,520)	(168,991)
Net impairment losses on financial assets		(863)	(79,275)
Other income	<i>8</i>	8,462	8,247
Other gains/(losses), net	<i>9</i>	<u>15,901</u>	<u>(149)</u>
Operating profit/(loss)		40,048	(67,658)
Finance income		776	888
Finance costs		<u>(2,450)</u>	<u>(6,761)</u>
Finance costs, net	<i>10</i>	(1,674)	(5,873)
Share of results of investments accounted for using the equity method		<u>6,945</u>	<u>8,026</u>
Profit/(loss) before income tax expense		45,319	(65,505)
Income tax (expense)/credit	<i>11</i>	<u>(9,889)</u>	<u>3,862</u>
Profit/(loss) for the year		<u><u>35,430</u></u>	<u><u>(61,643)</u></u>

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) and total comprehensive income/(expense)			
for the year attributable to:			
Owners of the Company		27,817	(66,882)
Non-controlling interests		<u>7,613</u>	<u>5,239</u>
		<u>35,430</u>	<u>(61,643)</u>
		<i>RMB</i>	<i>RMB</i>
Earnings/(loss) per share attributable to			
the owners of the Company			
Basic and diluted	12	<u>0.415</u>	<u>(0.998)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment	<i>14</i>	84,888	50,349
Intangible assets	<i>15</i>	278,661	287,648
Right-of-use assets		62,899	74,371
Deferred income tax assets		25,324	23,991
Long-term prepayments		2,523	9,729
Contract costs		12,293	13,342
Investments accounted for using the equity method		19,697	24,642
		486,285	484,072
Current assets			
Dividend receivables		7,900	7,900
Trade, bills and other receivables	<i>16</i>	648,596	642,374
Inventories		41,293	37,796
Prepayments		27,625	40,315
Current income tax receivables		3,700	7,295
Restricted cash		6,269	2,805
Cash and cash equivalents		299,074	261,696
		1,034,457	1,000,181
Current liabilities			
Trade payables	<i>18</i>	395,912	317,902
Accruals and other payables	<i>18</i>	301,401	303,474
Contract liabilities	<i>6(a)</i>	316,301	336,384
Lease liabilities		9,429	11,815
Financial liabilities at fair value through profit or loss		–	1,200
Deferred revenue		1,177	1,179
Current income tax liabilities		9,274	4,378
		1,033,494	976,332
Net current assets		963	23,849
Total assets less current liabilities		487,248	507,921

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities			
Lease liabilities		33,523	79,192
Deferred revenue		7,829	8,360
Deferred income tax liabilities		9,019	11,166
		<u>50,371</u>	<u>98,718</u>
Net assets		<u>436,877</u>	<u>409,203</u>
Capital and reserves			
Share capital	<i>17</i>	66,991	66,991
Reserves		265,276	254,965
Retained earnings		80,700	61,282
Equity attributable to owners of the Company		412,967	383,238
Non-controlling interests		23,910	25,965
Total equity		<u>436,877</u>	<u>409,203</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Dowell Service Group Co. Limited (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 13 January 2015 as a limited liability company. Upon approval by the shareholders’ general meeting held on 13 December 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name to “Dowell Service Group Co. Limited (東原仁知城市運營服務集團股份有限公司)” on 30 December 2020.

The address of the Company’s registered office and its principal place of business address is Room 206, Commercial Building, B-1, No. 108, Baihe Road, Nanping Town, Nan’an District, Chongqing, PRC.

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new or amended HKFRSs – effective 1 January 2025

Amendments to HKAS 21 and HKFRS 1	Lack of exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

(b) New or amendments to HKFRSs that have been issued but are not yet effective

The following new or amendments to HKFRSs, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendment to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²

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

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

³ Effective date to be determined.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The Amendments to HKFRS 9 and HKFRS 7 clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled via an electronic transfer, the requirements for assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, characteristics of non-recourse loans and contractually linked instruments. The Amendments also introduce additional disclosure requirements for equity instruments classified as FVOCI and for financial instruments with contingent features.

The amendments are not expected to have any significant impact on the Group's financial information.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 will have a significant effect on how entities present their financial statements with emphasis on reporting of financial performance. The areas that will be significantly affected include categorization and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The application of the new standard is not expected to have material impact on the financial performance and financial position the Group but is expected to affect the presentation and disclosures in the future financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (collectively “HKFRS Accounting Standards”) issued by Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. 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 (the “Stock Exchange”) (“the Listing Rules”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company. All values in the consolidated financial statements are rounded to the nearest thousand except when otherwise indicated.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions in preparation of the Group’s consolidated financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Allowance on doubtful receivables

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

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade, bills and other receivables and related impairment losses in the periods in which such estimate has been changed.

(b) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgment is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation in the periods in which such estimate is changed.

(c) Impairment of goodwill and customer relationships (under intangible assets)

The Group tests annually whether goodwill and customer relationships (under intangible assets) has suffered any impairment, in accordance with the accounting policies, where the recoverable amounts of the CGUs is determined based on value-in-use (“VIU”) calculations. These calculations require the use of estimates.

(d) Estimation of the useful life of customer relationships

Customer relationships identified on respective acquisition dates is recognised as intangible assets (Note 15). Customer relationships primarily related to the existing contracts of acquirees on the acquisition date. The Group estimates the useful life and determines the amortisation period of the customer relationships to be 8 to 10 years based on the expected contract periods (including renewal) for property management services with customers based on the historical renewal pattern and the industry practice.

However, the actual useful life may be shorter or longer than estimate, depending on acquirees’ ability to secure its contracts and relationship with property developers or renew the contracts with property owners’ associations in the future. Where the actual contract periods are different from the original estimates, such difference will impact the carrying amount of the intangible asset of customer relationships and the amortisation expenses in the periods in which such estimate has been changed.

(e) Estimated useful lives and residual values of property, plant and equipment

The Group’s management determines the estimated useful lives and residual values for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic view could result in a change in depreciable lives and residual values and therefore depreciation in the future periods.

(f) Estimated incremental borrowing rate for leases

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

(g) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment, and right-of-use assets are tested for impairment when indicators exist. An impairment loss is recognised for the amount by which an asset’s carrying amount exceeds its recoverable amount being fair value less costs of disposal or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(h) Net realisable value of inventories

The Group’s management reviews the inventory ageing analysis periodically, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sales.

The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow-moving items through management’s estimation of the net realisable value for such obsolete and slow-moving items based primarily on the latest invoice prices and current market conditions. Additional write down of inventories might be necessary when the actual movement in inventories and selling prices is lower than anticipated.

5. 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 segments, has been identified as the executive directors of the Company.

On 27 March 2026, the Board resolved to reclassify the Group’s existing three main business lines into four main business lines. The Board believes that the reclassification would more accurately reflect the market position and business direction of the Group, including the Group’s strategy to enhance its medical, nursing, rehabilitation and elderly care services, which would enable the Shareholders to have a better understanding of the Company’s operation status and financial performance going forward.

The Group is principally engaged in the provision of city operations services, lifestyle services, comprehensive health services and other comprehensive services. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The principal operating entity of the Group is domiciled in the PRC. Accordingly, all of the Group’s revenue were derived in the PRC during the year.

As at 31 December 2025 and 2024, all of the assets of the Group were located in the PRC.

6. REVENUE

Revenue mainly comprises proceeds from the 4 categories of city operations services, lifestyle services comprehensive health services and other comprehensive services. An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 are as follows:

	2025 Revenue <i>RMB'000</i>	2025 Cost of sales <i>RMB'000</i>	2024 Revenue <i>RMB'000</i> <i>(Restated)</i>	2024 Cost of sales <i>RMB'000</i> <i>(Restated)</i>
Revenue from customers recognised over time				
City operations services	1,138,224	1,000,945	1,067,710	937,422
Lifestyle services	134,576	106,044	143,104	112,643
Comprehensive health services	135,676	116,776	140,445	120,575
Other comprehensive services	29,010	27,401	93,943	84,394
	<u>1,437,486</u>	<u>1,251,166</u>	<u>1,445,202</u>	<u>1,255,034</u>
Revenue from customers recognised at point in time				
Lifestyles services	80,493	63,306	70,489	55,567
Comprehensive health services	1,294	1,162	1,458	765
Other comprehensive services	5,662	5,348	13,052	10,958
	<u>87,449</u>	<u>69,816</u>	<u>84,999</u>	<u>67,290</u>
	<u><u>1,524,935</u></u>	<u><u>1,320,982</u></u>	<u><u>1,530,201</u></u>	<u><u>1,322,324</u></u>
Revenue recognised on gross basis/net basis:				
Revenue recognised on gross basis	1,510,680	1,319,059	1,511,445	1,305,968
Revenue recognised on net basis	14,255	1,923	18,756	16,356
	<u><u>1,524,935</u></u>	<u><u>1,320,982</u></u>	<u><u>1,530,201</u></u>	<u><u>1,322,324</u></u>

Information about major customers

None of the customers contributed 10% or more of the Group's revenue during the year ended 31 December 2025 and 2024.

(a) Contract assets and liabilities

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets	<u>—</u>	<u>—</u>
Contract liabilities		
– City operations services	289,940	279,380
– Lifestyle services	11,197	40,592
– Comprehensive health services	14,122	15,632
– Other comprehensive services	1,042	780
	<u>316,301</u>	<u>336,384</u>

(b) Changes in contract assets and liabilities

Contract assets of the Group mainly arise from the unbilled work in progress where payment is not due. Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. No assets recognised as there was no unbilled work in progress as at 31 December 2025 and 2024. The liabilities decreased as a result of the reduction in the amount of prepaid property management fees from property owners received.

(c) **Revenue recognised in relation to contract liabilities**

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
– City operations services	279,380	242,435
– Lifestyle services	40,592	36,205
– Comprehensive health services	15,632	15,078
– Other comprehensive services	780	1,939
	<u>336,384</u>	<u>295,657</u>

(d) **Unsatisfied performance obligations**

The following table shows unsatisfied performance obligations of pre-delivery services under other comprehensive services resulting from related fixed-price long-term contracts:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Aggregate amount of the transaction price allocated to long-term pre-delivery services that are partially or fully unsatisfied	<u>5,280</u>	<u>8,506</u>

The maturity date of unsatisfied performance obligations is analysed as follows and the amount disclosed does not include variable consideration which is constrained.

	2025		2024	
	<i>RMB'000</i>		<i>RMB'000</i>	
Less than 1 year	4,584	87%	7,986	94%
1 to 2 years	696	13%	520	6%
	<u>5,280</u>		<u>8,506</u>	

For all city operations 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 to not disclose the remaining performance obligations for these types of contracts. The majority of the city operations services contracts do not have a fixed term.

For lifestyle services and comprehensive health services, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient to not disclose the remaining performance obligations for these types of contracts.

(e) Contract costs

Assets recognised from incremental costs to obtain contracts

During the year, the Group has recognised assets from incremental costs to obtain long-term city operations services contracts, as set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Assets recognised from incremental costs to obtain a contract	<u>12,293</u>	<u>13,342</u>
Amortisation recognised as cost of providing services	<u>10,156</u>	<u>11,584</u>

The incremental costs capitalised as assets mainly refers to the commission fees or consulting fees paid for obtaining the contracts. The assets are amortised on a straight-line basis over the terms of the specific contracts the costs relate to, consistent with the pattern of recognition of the associated revenue.

7. EXPENSES BY NATURE

Profit before income tax expense is arrived at after charging the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amortisation of intangible assets (<i>Note 15</i>)	14,023	13,725
Auditors' remuneration		
– Audit services	1,850	1,850
Bank charges	2,774	2,942
Cleaning costs	173,187	180,418
Community activity expense	6,657	8,918
Cost of inventories recognised as expenses	56,951	51,697
Depreciation of property, plant and equipment (<i>Note 14</i>)	18,778	18,616
Depreciation of right-of-use assets	13,816	16,175
Employee benefit expenses	721,811	735,230
Greening and gardening costs	26,757	22,315
Maintenance costs	72,749	79,360
Office expenses	17,384	17,486
Other expenses	53,140	54,597
Other taxes	6,572	6,050
Professional expenses	31,442	30,435
Promotion expenses	2,393	3,112
Provision for impairment on inventories	–	2,077
Security costs	203,233	198,297
Short-term lease expenses	2,761	6,415
Travel and entertainment expenses	13,673	14,521
Utilities	68,436	62,446
	<u>1,508,387</u>	<u>1,526,682</u>

8. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government subsidies	<u>8,462</u>	<u>8,247</u>

Government subsidies represented mainly rewards from local government without attached conditions.

9. OTHER GAINS/(LOSSES), NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net losses from disposal of property, plant and equipment	(29)	(166)
Net gains/(losses) from disposal of right-of-use assets	13,624	(19)
Net gains from disposal of joint ventures	1,529	—
Net exchange gains	20	60
Others	757	(24)
	<u>15,901</u>	<u>(149)</u>

10. FINANCE COSTS, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance income:		
– Bank interest income	776	888
Finance cost:		
– Interest expenses on borrowings	(2)	(197)
– Interest expenses on factoring arrangements	(20)	(33)
– Interest expenses on lease liabilities	(2,428)	(6,531)
	<u>(2,450)</u>	<u>(6,761)</u>
Finance costs, net	<u>(1,674)</u>	<u>(5,873)</u>

11. INCOME TAX EXPENSE/(CREDIT)

The amount of income tax expense/(credit) in the consolidated statement of profit or loss and other comprehensive income represents.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax – PRC Enterprise Income Tax (the “PRC EIT”)		
– For the year	13,867	10,205
– Over-provision in prior year	<u>(715)</u>	<u>(4,509)</u>
	13,152	5,696
Deferred income tax		
– Credited for the year	<u>(3,263)</u>	<u>(9,558)</u>
Income tax expense/(credit)	<u><u>9,889</u></u>	<u><u>(3,862)</u></u>

12. EARNINGS/(LOSS) PER SHARE

(a) Basic

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to shareholders of the Company by the weighted average number of ordinary shares during the year.

The weighted average number of ordinary shares used to calculate the basic earnings/(loss) per share amounts for the years ended 31 December 2025 and 2024 was based on 66,990,867 ordinary shares of the Company issued throughout the years ended 31 December 2025 and 2024.

	2025	2024
Profit/(loss) attributable to equity owners of the Company <i>(RMB'000)</i>	<u>27,817</u>	<u>(66,882)</u>
Weighted average number of ordinary shares in issue <i>(in thousands)</i>	<u>66,991</u>	<u>66,991</u>
Basic earnings/(loss) per share for profit/(loss) attributable to equity owners of the Company during the year <i>(expressed in RMB per share)</i>	<u><u>0.415</u></u>	<u><u>(0.998)</u></u>

(b) Diluted

Diluted earnings/(loss) per share amount is the same as basic earnings/(loss) per share amount as there were no potential dilutive ordinary shares outstanding for the years ended 31 December 2025 and 2024.

13. DIVIDENDS

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Dividend recognised as distribution during the year:		
Final dividend paid, RMB0.030 for 2024 (2023: RMB0.030) per share	2,010	2,010
Interim dividend paid, RMBNil (2024: RMB0.036) per share	<u>—</u>	<u>2,411</u>
	<u>2,010</u>	<u>4,421</u>

The Board does not recommend the payment of a final dividend in respect of the year ended 31 December 2025.

The final dividend of RMB0.030 in respect of the year ended 31 December 2024 per share, amounted to approximately RMB2,010,000, was approved by the shareholders and paid during the year ended 31 December 2025.

As at 31 December 2025 and 2024, there was no dividend payable.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Vehicles <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
Cost						
At 1 January 2024	643	37,404	9,803	8,654	57,929	114,433
Additions	–	1,708	1,808	135	6,336	9,987
Disposals/written-off	–	(2,265)	(173)	(744)	–	(3,182)
At 31 December 2024	643	36,847	11,438	8,045	64,265	121,238
Additions	–	704	4,900	1,298	12,084	18,986
Acquired through acquisition of entity	34,736	–	–	–	–	34,736
Disposals/written-off	–	(1,363)	(105)	(361)	–	(1,829)
At 31 December 2025	35,379	36,188	16,233	8,982	76,349	173,131
Depreciation and impairment						
At 1 January 2024	164	25,208	5,149	1,918	22,180	54,619
Provided for the year	20	4,336	1,632	1,265	11,363	18,616
Eliminated on disposal/written-off	–	(1,983)	(49)	(314)	–	(2,346)
At 31 December 2024	184	27,561	6,732	2,869	33,543	70,889
Provided for the year	1,156	3,332	1,281	2,088	10,921	18,778
Eliminated on disposal/written-off	–	(1,135)	(204)	(85)	–	(1,424)
At 31 December 2025	1,340	29,758	7,809	4,872	44,464	88,243
Carrying values						
At 31 December 2025	34,039	6,430	8,424	4,110	31,885	84,888
At 31 December 2024	459	9,286	4,706	5,176	30,722	50,349

Depreciation expenses were charged to the following categories in the consolidated statement of profit or loss and other comprehensive income (Note 7):

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of sales	16,800	17,739
Administrative expenses	1,939	830
Selling and marketing expenses	39	47
	18,778	18,616

15. INTANGIBLE ASSETS

	Software <i>RMB'000</i>	Customer relationships <i>RMB'000</i>	Goodwill <i>RMB'000</i>	Total <i>RMB'000</i>
Cost				
At 1 January 2024	19,214	97,105	212,068	328,387
Additions	3,284	—	—	3,284
At 31 December 2024	22,498	97,105	212,068	331,671
Additions	5,036	—	—	5,036
At 31 December 2025	27,534	97,105	212,068	336,707
Depreciation and impairment				
At 1 January 2024	5,666	24,632	—	30,298
Provided for the year	2,617	11,108	—	13,725
At 31 December 2024	8,283	35,740	—	44,023
Provided for the year	2,915	11,108	—	14,023
At 31 December 2025	11,198	46,848	—	58,046
Carrying values				
At 31 December 2025	16,336	50,257	212,068	278,661
At 31 December 2024	14,215	61,365	212,068	287,648

16. TRADE, BILLS AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade and bills receivables		
Trade receivables due from related parties	167,711	248,983
Trade receivables due from third parties	540,506	464,653
Bills receivables due from third parties	1,127	186
	<u>709,344</u>	<u>713,822</u>
Less: Provision for impairment of trade and bills receivables	<u>(120,784)</u>	<u>(118,820)</u>
	<u>588,560</u>	<u>595,002</u>
Other receivables		
Other receivables due from related parties	1,685	2,878
Other receivables due from third parties		
– Receivable on disposal of joint ventures	4,287	–
– Payments on behalf of property owners	838	1,093
– Deposits	30,396	26,893
– Advances to employees	10,647	8,450
– Others	13,781	12,084
	<u>61,634</u>	<u>51,398</u>
Less: Provision for impairment of other receivables	<u>(1,598)</u>	<u>(4,026)</u>
	<u>60,036</u>	<u>47,372</u>
	<u><u>648,596</u></u>	<u><u>642,374</u></u>

The Group's trade, bills and other receivables at respective balance sheet dates were denominated in RMB.

- (i) The aging analysis of trade and bills receivables, based on the invoice date as of the end of the reporting period is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 year	389,554	555,961
1 to 2 years	240,933	87,255
2 to 3 years	41,627	52,636
Over 3 years	37,230	17,970
	<u>709,344</u>	<u>713,822</u>
	<u><u>709,344</u></u>	<u><u>713,822</u></u>

As at 31 December 2025, the Group's maximum exposure to credit risk was the carrying value of each class of trade, bills and other receivables mentioned above less than RMB22,544,000 of trade receivables secured by certain of commercial properties pledged by a related party. In respect of the secured trade receivables with the carrying amount of RMB22,544,000, the fair value of collateral of such trade receivables could be objectively ascertained to cover the outstanding amount of balances based on market value of collateral.

Management requested additional collateral as appropriate and monitors the market value of collateral during its review of the adequacy of the impairment allowance. The amount and type of collateral required depend on an assessment of the credit risk of the customer or counterparty. Estimates of the fair value of collateral were based on the market value for the corresponding assets at the time of pledged. It was the Group's policy to dispose of repossessed properties. The proceeds were used to reduce or repay the outstanding balances. In general, the Group does not retain repossessed properties for business purposes. As at 31 December 2025, the Group did not hold any repossessed properties. The Group was entitled to sell or repledge collateral when there was default by the customers. There had not been any significant changes in the quality of collateral held for trade and bills receivables. The main type of collateral obtained was the commercial properties located in the PRC. The impairment provision had taken into account the credit quality of the underlying assets, the financial strength of the borrowers as well as collateral and other credit enhancements.

As at 31 December 2024, the Group's maximum exposure to credit risk was the carrying value of each class of trade, bills and other receivables mentioned above. The Group does not hold any collateral or repossessed properties as security.

As at 31 December 2025 and 2024, the fair values of short-term trade and other receivables approximated their carrying amounts due to their short-term maturities.

17. SHARE CAPITAL AND PAID-IN CAPITAL

	At 31 December 2025		At 31 December 2024	
	Number '000	Amount RMB'000	Number '000	Amount RMB'000
Shares				
H shares of RMB1 each	66,991	66,991	66,991	66,991

Movements in the issued share capital during the year were as follows:

	Number '000	Amount RMB'000
As at 1 January 2024, 31 December 2024 and 2025	66,991	66,991

18. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables		
Trade payables due to related parties	8,131	14,612
Trade payables due to third parties		
– Payables for labour costs	326,887	239,453
– Payables for construction costs	42,046	38,500
– Payables for consumables	18,848	25,337
	<u>395,912</u>	<u>317,902</u>
Accruals and other payables		
Accruals and other payables due to related parties		
– Others	1,643	16,574
Accruals and other payables due to third parties		
– Outstanding cash consideration payable for business combinations	200	–
– Employee benefit payables	87,669	75,816
– Deposits	60,765	67,198
– Temporary receipts from property owners	22,891	21,880
– Other taxes payables	25,510	26,027
– Dividend payable to the non-controlling interest of a subsidiary	11,077	7,598
– Cash collected on behalf of property owners	79,350	74,258
– Accrued operating expenses	8,211	12,217
– Others	4,085	1,906
	<u>301,401</u>	<u>303,474</u>

As at 31 December 2025 and 2024, the ageing analysis of the trade payables of the Group based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 year	323,718	258,151
1 to 2 years	38,236	34,666
2 to 3 years	14,706	15,694
Over 3 years	19,252	9,391
	<u>395,912</u>	<u>317,902</u>

19. ACQUISITION OF ENTITY

On 22 January 2025, the Group acquired 100% of the equity interests of Chengdu Dongyuhong Commercial Management Co., Ltd. (“**Chengdu Dongyuhong**”) for a cash consideration of RMB59,500,000. The identifiable assets of Chengdu Dongyuhong is approximately 83.48% ownership of the 3rd to 11th floor of a building situated in Chengdu City. The property has a gross area of approximately 8,474.10 square meters, and was used as an elderly care center.

The Group elected to apply the optional concentration test in accordance with HKFRS 3 Business Combinations. The acquisition of Chengdu Dongyuhong has been accounted for as an acquisition of assets rather than a business combination, given that substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets (property, plant and equipment and right-of-use assets).

RMB'000

Assets acquired at the date of acquisition

Property, plant and equipment (Buildings)	34,736
Right-of-use assets (Land use right)	<u>24,764</u>
	<u><u>59,500</u></u>

An analysis of the net cash flow of cash and cash equivalent in respect of the acquisition of entity is as follows:

Cash consideration arising on acquisition of entity	59,500
Less: Prepaid for acquisition of entity for the year ended 31 December 2024	<u>(5,950)</u>
	<u><u>53,550</u></u>

The acquisition was approved by the extraordinary general meeting of the Company on 22 January 2025. Further details are set out in the announcement of the Company dated 20 November 2024 and 22 January 2025 and the circular of the Company dated 6 January 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Summary and review for 2025

The Group is a comprehensive service provider with national first-class qualifications across the full urban value chain, adhering to the brand development strategy of “Big Property • Full Value”. It is committed in promoting refinement, specialisation, and intelligence of urban development, aspiring to become a respected urban comprehensive service provider with unique business value. Featuring diversified business service offerings, the Group has established six major business segments: urban comprehensive services, residential comprehensive services, international customised services, healthcare and wellness services, community value-added services, and multi-businesses services. This structure establishes a comprehensive service advantage driven by parallel tracks for residential and non-residential businesses, empowered by a value-added industrial chain.

As of 31 December 2025, the Group had operated and managed 604 projects in 76 cities in the People’s Republic of China (the “PRC”), with an aggregated gross floor area (“GFA”) under management of approximately 61.0 million square metres (“sq.m.”). In addition, the Group had entered into contracts to provide services for 610 projects in 77 cities, with a total contracted GFA of approximately 65.2 million sq.m..

In 2025, amid a critical stage of profound transformation and value reshaping within the property management industry, the Group determinedly implemented its core strategy of “Break Deadlock Together”, leveraging innovation-driven development and advancing across multiple dimensions, including regional development, service innovation and business upgrading. Upholding the principle of “quality and efficiency first”, the Group continued consolidating its traditional competitive strengths and prioritised enhancing project quality and profitability. Over the year, the Group secured 166 new projects, adding more than 7.6 million sq.m. in new GFA under management. Meanwhile, the Group proactively expanded into the comprehensive non-residential market and cultivated distinctive service capabilities. It successfully (i) secured high-quality city service projects, such as Vipshop Logistics Park in Zhengzhou and Aptiv; and (ii) established cooperation with a well-known Internet enterprise, namely miHoYo, to develop a property management system tailored for the Internet sector. These achievements demonstrated the Group’s strong competitiveness in niche markets. In service innovation, the Group advanced the deployment of its Smart Cleaning Service (SCS) across multiple scenarios, delivering a customised cleaning solution for Ningxiang Hospital that enhanced response speed and coverage frequency by approximately 50%. In Liangjiang New Area Digital Industrial Park, the Group implemented a “human-machine collaboration” model, improving operational efficiency by 10% through technology-empowered service upgrades.

Additionally, the Group actively built a new community consumption ecosystem, launched diversified services, such as neighbourhood tours, curated product offerings, community fairs, and livestream product selection. Throughout the year, over 100 themed community fairs were held, attracting more than 50,000 participating owners. By addressing residents' everyday essential needs and quality-of-life aspirations, as well as precisely catering to household travel demand, the Group fostered a warm, interconnected neighbourhood living environment. Meanwhile, the Group innovatively launched Chongqing's first "senior citizen complex"—Evergreen Cube • Mall Fun—which integrates medical-elderly care, senior care services, education and consumption resources for senior citizens. Over the year, the project completed chronic disease management registration for approximately 380 seniors, recorded over 1,500 outpatient conversions, and implemented ageing-in-place home modifications for more than 400 households, establishing a multi-dimensional elderly care solution and setting a new benchmark for premium senior living.

In 2025, the Group positioned "quality" as the core theme of its annual operations, upholding a customer-centric approach and driving dual improvements in service experience and operational efficiency through system upgrades, standards refinement and benchmark project development. In service system optimisation, the Group fully upgraded the butler management system and incident-reporting system based on customers' needs, establishing a customer service model that precisely aligns with operational requirements, resulting in a significant uplift in customer satisfaction. In quality control, the Group enhanced both frontline inspection and online quality audits to address operational pain points and establish a long-term closed-loop improvement mechanism. At the same time, the Group focused on elevating "standards" into "benchmarks": in Shanghai, systematic renovation and enhancement works improved community quality and service experience, helping Shanghai • Dowell Puyue become a Shanghai Municipal Model Property Management Project; in Wuhan, refined management and agile operations which enabled Wuhan • Rui'an Residence to be recognised as a municipal "Benchmark Learning Visit" project, offering replicable practices for industry quality upgrades. Furthermore, the Group intensified its implementation of the Amoeba business model, closely aligning with actual frontline operational scenarios and successfully establishing a self-operated mechanism. This transformation effectively activated organisational vitality at the operational edge, achieved precise resource allocation and efficient circulation, and delivered remarkable operational results.

Against the backdrop of intensified market competition in property services, the Group continuously brought confidence and returns to shareholders, partners, and employees through its robust strategic focus and ongoing external development efforts. In April 2025, the Group was accredited as "2025 Top 100 Property Management Enterprises in China" by China Index Academy, ranking 15th in terms of overall industry strength.

Reclassification of the Group’s main business lines

On 27 March 2026, the Board resolved to reclassify the Group’s existing three main business lines into four main business lines. The Board believes that the reclassification would more accurately reflect the market position and business direction of the Group, including the Group’s strategy to enhance its medical, nursing, rehabilitation and elderly care services, which would enable the Shareholders to have a better understanding of the Company’s business operation status and financial performance going forward. The reclassification of the Group’s main business lines are as follows:

Previous

classification of business lines	New classification of business lines	Material changes in reclassification of business lines
City Operations Services ¹	City Operations Services	Reclassification by including revenue from property management services provided to foreign-related projects, including services to foreign-owned enterprises, foreign embassies and international schools (including security services, cleaning services, facility management services and maintenance services) which were originally under FATH and Other Comprehensive Services
Lifestyle Services ²	Lifestyle Services	N/A
	Comprehensive Health Services	Includes revenue from (i) provision of diversified professional services such as health care and daily living convenience for customers within their residential communities (“ Home Visit Care Services ”); (ii) provision of comprehensive elderly care services, including medical and health care services in elderly care institutions, nursing and rehabilitation institutions and specialist institutions (“ Facility-Based Elderly Care Services ”); and (iii) provision of comprehensive management services to hospitals and medical facilities (including facility management services and maintenance services) (“ Comprehensive Medical Services ”).
FATH and Other Comprehensive Services ³	Other Comprehensive Services	Includes revenue from (i) digital and intelligent technology services (including Smart Cleaning Service); (ii) maintenance and rectification services; (iii) Preliminary Planning Services (as defined below); (iv) Sales Assistance Services (as defined below); and (v) other related comprehensive services.

Notes:

1. Such business line previously comprised property management services to residential and local non-residential properties, including security services, cleaning services, gardening services, facility management services and maintenance services.
2. There was no material change in the Group's Lifestyle Services business line. Such business line comprises:
 - (a) organising events for residents and property developers (the "**Community Events Planning Services**");
 - (b) providing (i) car parking spaces management services, including but not limited to, entry or exit control, cleaning, surveillance and collection of parking fees; and (ii) car parking spaces and property sales services, including but not limited to, providing marketing and sales services for car parking spaces and property located at property projects sourced from Dima Group (as defined below) and Affiliated Companies (as defined below) (including associates of Dima Group) (the "**Management and Agency Services**");
 - (c) utility maintenance services; and
 - (d) other lifestyle related services
3. Such business line previously comprised services provided to foreign-owned enterprises, foreign embassies, international schools, hospitals and medical facilities, as well as other comprehensive services, including, among others:
 - (a) providing property management services to foreign-owned enterprises, foreign embassies, international schools, hospitals and medical facilities (including security services, cleaning services, facility management services and maintenance services);
 - (b) assisting in property sales activities, which include visitor reception, cleaning, security inspection, maintenance and other customer-related services (the "**Sales Assistance Services**");
 - (c) providing advisory services on the overall project design and planning and coordination of pre-sale activities (the "**Preliminary Planning Services**");
 - (d) digital and intelligent technology services;
 - (e) maintenance and rectification services;
 - (f) provision of comprehensive elderly care services, including medical and health care services in home communities, elderly care institutions, nursing and rehabilitation institutions and specialist institutions; and
 - (g) other related comprehensive services.

Business model

The Group is a long-established property management service provider offering comprehensive services for a wide range of property projects in the PRC. The Group provides diversified services through four main business lines:

1. City Operations Services;
2. Lifestyle Services;
3. Comprehensive Health Services; and
4. Other Comprehensive Services.

The Group believes that its City Operations Services business line serves as the basis for the Group to generate revenue, expand its business scale as well as increase its customer base for its Lifestyle Services, Comprehensive Health Services and Other Comprehensive Services. The Group continuously enhances its Comprehensive Health Services and Other Comprehensive Services to establish a wide range of service capabilities in order to establish and cultivate business relationships with customers, which enables the Group to have a competitive advantage in securing engagements for City Operations Services. The comprehensive range of the Group's Lifestyle Services business line helps the Group to enhance its relationship with customers and residents in the property projects that it manages, and thus improve their satisfaction and loyalty. The Directors believe that these four business lines complement each other and will continue to enable the Group to gain greater market share and expand its business presence in the PRC.

City Operations Services

Overview

The Group manages residential and non-residential properties sourced from Dima Group, Affiliated Companies and Independent Third Parties (as defined below). During the Reporting Period, the Group's revenue from City Operations Services amounted to approximately RMB1,138.2 million, representing an increase of approximately 6.6%, as compared to the corresponding period of 2024, which is mainly due to the optimisation of the Group's operation by exiting low-efficiency projects and introducing high-quality, high-revenue projects, which improved project structure and drove revenue growth. The Group obtained residential property management rights through participating in tenders of new property development projects and tenders conducted by owners' committees to replace existing property management service providers. During the Reporting Period, the Group secured high-quality residential property management projects such as Yuexi Zhengrong Mansion in Chongqing City, Yichang Hongkun Huayu Villa in Hubei Province and Shanhu Ludao in Changsha, Hunan Province. The Group also participated in tenders for non-residential property management projects such as schools, government facilities, office buildings and industrial parks. During the Reporting Period, the Group secured high-quality non-residential property management projects such as the Airport Economic Headquarters in Chongqing, the Xi'an Branch of the Industrial and Commercial Bank of China and the Vipshop Airport Logistics Park in Zhengzhou City.

Optimising business operations and expansion of property portfolio

The Group adheres to solidify its market position and expand its property portfolio and business scale through multiple channels. During the Reporting Period, the GFA under management of projects sourced from Dima Group reached approximately 18.0 million sq.m., representing an increase by approximately 2.1% as compared to the same as at 31 December 2024. The GFA under management of projects sourced from Independent Third Parties reached approximately 37.3 million sq.m., representing a decrease by approximately 3.2% as compared to the same as at 31 December 2024.

By source of property projects:

The table below sets out the Group’s total revenue from City Operations Services during the two years ended 31 December 2025, and GFA under management and number of projects based on the sources from which the Group obtained the relevant property projects as at 31 December 2024 and 2025:

	Year ended		As at		Year ended		As at	
	31 December 2025		31 December 2025		31 December 2024		31 December 2024	
	Revenue	(%)	Number of projects	GFA under management ⁽⁵⁾	Revenue	(%)	Number of projects	GFA under management ⁽⁵⁾
	(RMB'000)			('000 sq.m.)	(RMB'000)			('000 sq.m.)
Property projects sourced from Dima Group ⁽¹⁾⁽²⁾	407,164	35.8	98	17,952	397,199	37.2	103	17,579
Property projects sourced from Affiliated Companies ⁽¹⁾⁽³⁾	43,544	3.8	18	3,460	50,887	4.8	20	3,909
Property projects sourced from Independent Third Parties ⁽¹⁾⁽⁴⁾	687,516	60.4	435	37,254	619,624	58.0	455	38,505
Total	1,138,224	100.0	551	58,666	1,067,710	100.0	578	59,993

Notes:

- The above breakdown of revenue generated from the provision of City Operations Services is based on the sources from which the Group obtained the relevant property projects instead of the sources which the Group derived revenue from. For example, for a property project sourced from Dima Group, the Group may derive income from Dima Group, property owners and property owners’ associations at different stages, depending on factors such as whether residential properties have been delivered to property owners and whether property owners’ associations have been established.
- Dima Group refers to Dima Holdings Co., Ltd.* (重慶市迪馬實業股份有限公司) (“**Dima**”) and companies formed by Dima and/or its subsidiary(ies) with other Independent Third Party(ies) (as defined below) which Dima held a controlling interest.

3. Affiliated Companies refers to companies that engaged the Group to provide services and are (i) formed by Dima Group (and the Group) and independent third party(ies) in which Dima Group does not hold any controlling interests and are not consolidated entities of Dima Group; and (ii) held directly by Mr. Lo Siu Yu, Chongqing Doyen Holdings Group Co., Ltd.* (重慶東銀控股集團有限公司), Ms. Chiu Kit Hung and Chongqing Shuorun Petrochemical Company Limited* (重慶碩潤石化有限責任公司) (other than the Group and Dima Group).
4. Independent Third Parties refers to enterprises which are not part of Dima Group or Affiliated Companies, including, among others, third-party developers, property owners' associations and individual property owners.
5. This includes GFA where the City Operations Services were provided by joint ventures and/or associate companies of the Group. As at 31 December 2025, the total GFA under management of property projects managed by joint ventures and/or associate companies of the Group were approximately 3.1 million sq.m.

The Group manages a diversified portfolio of property projects, consisting of: (i) residential properties; and (ii) non-residential properties, such as advanced manufacturing enterprises, industrial parks, logistics parks, government facilities and public service facilities.

The table below sets forth the Group's total revenue from City Operations Services during the two years ended 31 December 2025, and GFA under management and number of projects as at 31 December 2024 and 2025:

	Year ended		As at		Year ended		As at	
	31 December 2025		31 December 2025		31 December 2024		31 December 2024	
	Revenue	%	Number of projects	GFA under management	Revenue	%	Number of projects	GFA under management
	(RMB'000)			('000 sq.m.)	(RMB'000)			('000 sq.m.)
Residential properties	620,955	54.6	251	40,260	600,755	56.3	247	39,752
Non-residential properties	517,269	45.4	300	18,406	466,955	43.7	331	20,241
Total	<u>1,138,224</u>	<u>100.0</u>	<u>551</u>	<u>58,666</u>	<u>1,067,710</u>	<u>100.0</u>	<u>578</u>	<u>59,993</u>

As at 31 December 2025, revenue derived from non-residential properties amounted to approximately 45.4% of the Group's City Operations Services, representing a year-on-year increase of approximately 1.7 percentage points, reflecting further optimisation of the Group's customer structure.

Continuous expansion in geographic presence

By geographic presence:

As at 31 December 2025, the Group operated across China and managed 551 property projects with an aggregated GFA under management of approximately 58.7 million sq.m. in 73 cities in China.

The table below sets out the Group's total revenue from City Operations Services during the two years ended 31 December 2025, and GFA under management and number of projects as at 31 December 2024 and 2025:

	Year ended	As at		Year ended	As at	
	31 December 2025	31 December 2025	31 December 2025	31 December 2024	31 December 2024	31 December 2024
	Revenue (RMB'000)	Number of projects	GFA under management ('000 sq.m.)	Revenue (RMB'000)	Number of projects	GFA under management ('000 sq.m.)
Chongqing	241,648	84	11,023	241,824	92	11,786
Sichuan Province	173,696	73	9,970	174,295	85	10,982
Hubei Province	157,237	46	11,427	140,997	43	8,911
Zhejiang Province	125,098	61	6,963	125,011	59	7,369
Shanghai	77,536	65	2,515	86,125	57	2,370
Hunan Province	62,627	26	3,186	69,267	37	4,871
Jiangsu Province	59,066	53	2,798	73,043	62	3,089
Others	241,316	143	10,784	157,148	143	10,615
Total	1,138,224	551	58,666	1,067,710	578	59,993

Lifestyle Services

The Group provides Lifestyle Services to property owners and residents under management, which mainly comprise, among others, (i) Community Events Planning Services; (ii) Management and Agency Services; (iii) utility maintenance services and (iv) other lifestyle related services.

During the Reporting Period, revenue derived from Lifestyle Services increased by approximately 0.7% to approximately RMB215.1 million as compared to about RMB213.6 million in the same period last year, mainly due to the Group's active expansion into new consumption-related businesses during the Reporting Period, which aims to provide customers with diversified services for better lifestyle.

During the Reporting Period, revenue derived from Lifestyle Services accounted for approximately 14.1% of total revenue representing an increase of about 0.1 percentage points as compared with the same period of 2024.

Comprehensive Health Services

The Group provides Comprehensive Health Services, which mainly comprise Home Visit Care Services, Facility-Based Elderly Care Services and Comprehensive Medical Services.

The table below sets out the Group's revenue attributable to Comprehensive Health Services for the two years ended 31 December 2025:

	Year ended 31 December			
	2025		2024	
	Revenue	%	Revenue	%
	(RMB'000)		(RMB'000)	
Home Visit Care Services	2,643	1.9	1,217	0.9
Facility-Based Elderly Care Services	59,480	43.4	52,543	37.0
Comprehensive Medical Services	74,847	54.7	88,143	62.1
Total	136,970	100.0	141,903	100.0

As at 31 December 2025, the Group's GFA under management for Comprehensive Medical Services was approximately 2.3 million sq.m., representing an increase of about 14.5% as compared with the same period of 2024. As at 31 December 2025, the number of projects from Comprehensive Medical Services was 53.

During the Reporting Period, revenue derived from Comprehensive Health Services decreased by approximately 3.5% to approximately RMB137.0 million as compared to about RMB141.9 million in the same period last year, mainly due to the Group developing its Home Visit Care Services business, resulting in a decline in revenue as a result of such development in its business mix, albeit solidifying its Facility-Based Elderly Care Services and Comprehensive Medical Services.

During the Reporting Period, revenue derived from Comprehensive Health Services accounted for approximately 9.0% of total revenue representing a decrease of about 0.3 percentage points as compared with the same period of 2024.

Other Comprehensive Services

The Group provides Other Comprehensive Services, which mainly comprise digital and intelligent technology services (including Smart Cleaning Service), maintenance and rectification services, Preliminary Planning Services, Sales Assistance Services and other related comprehensive services.

During the Reporting Period, revenue derived from Other Comprehensive Services decreased by approximately 67.6% to approximately RMB34.6 million as compared to about RMB107.0 million in the same period last year, mainly due to the Group's proactive strategic adjustment in its business operations, including efforts in expanding the development of Smart Cleaning Service and the Group's gradual reduction in provision of traditional property management related services, including Preliminary Planning Services and Sales Assistance Services.

During the Reporting Period, revenue derived from Other Comprehensive Services accounted for approximately 2.3% of total revenue representing a decrease of about 4.7 percentage points as compared with the same period of 2024.

FINANCIAL REVIEW

Revenue

The Group's revenue was principally derived from City Operations Services in the PRC. During the Reporting Period, the Group's revenue remained stable at approximately RMB1,524.9 million as compared to approximately RMB1,530.2 million for the year ended 31 December 2024.

The table below sets out a breakdown of the Group's total revenue by business lines during the two years ended 31 December 2025:

	Year ended 31 December			
	2025		2024	
	Revenue (RMB'000)	Percentage (%)	Revenue (RMB'000)	Percentage (%)
City Operations Services	1,138,224	74.6	1,067,710	69.7
Lifestyle Services	215,069	14.1	213,593	14.0
Comprehensive Health Services	136,970	9.0	141,903	9.3
Other Comprehensive Services	34,672	2.3	106,995	7.0
Total	<u>1,524,935</u>	<u>100.0</u>	<u>1,530,201</u>	<u>100.0</u>

Cost of sales

During the Reporting Period, the Group's cost of sales remained stable at approximately RMB1,321.0 million as compared to approximately RMB1,322.3 million for the year ended 31 December 2024.

Gross profit

The Group's gross profit decreased slightly by approximately 1.9% from approximately RMB207.9 million for the year ended 31 December 2024 to approximately RMB204.0 million for the year ended 31 December 2025.

The Group's gross profit margin by business lines is set forth below:

	Year ended 31 December	
	2025	2024
City Operations Services	12.1%	12.2%
Lifestyle Services	21.3%	21.2%
Comprehensive Health Services	13.9%	14.5%
Other Comprehensive Services	5.5%	10.9%
Overall gross profit margin	13.4%	13.6%

During the Reporting Period, the Group's gross profit margin was approximately 13.4%, representing a decrease of approximately 0.2 percentage points from approximately 13.6% for the year ended 31 December 2024. The decrease was mainly attributable to decrease in gross profit margin of Other Comprehensive Services.

The gross profit margin of City Operations Services was approximately 12.1%, and remained stable during the Reporting Period as compared to the year ended 31 December 2024.

The gross profit margin of Lifestyle Services was approximately 21.3%, and remained stable during the Reporting Period as compared to the year ended 31 December 2024.

The gross profit margin of Comprehensive Health Services was approximately 13.9%, and remained stable during the Reporting Period as compared to the year ended 31 December 2024.

The gross profit margin of Other Comprehensive Services was approximately 5.5%, representing a decrease from approximately 10.9% for the year ended 31 December 2024. The decrease was mainly attributable to the Group's focus on high-quality development, proactive optimisation of its business mix and the Group's gradual reduction in provision of traditional property management related services, including Preliminary Planning Services and Sales Assistance Services.

Other income

During the Reporting Period, the Group's other income amounted to approximately RMB8.5 million, representing an increase of approximately 2.6% from approximately RMB8.2 million for the year ended 31 December 2024. The increase was primarily due to an increase in government grants received by the Group.

Other net gains and losses

During the Reporting Period, the Group recorded other net gains of approximately RMB15.9 million, as compared to other net losses of approximately RMB0.1 million for the year ended 31 December 2024. The other net gains of the Group during the Reporting Period arose mainly from the one-off derecognition of right-of-use assets and related lease liabilities following completion of the acquisition of Chengdu Dongyuhong Commercial Management Co., Ltd.* (成都東煜宏商業管理有限公司) (“**Chengdu Dongyuhong**”) in early 2025. For details regarding the acquisition of Chengdu Dongyuhong, please refer to the circular of the Company dated 6 January 2025.

Selling and marketing expenses

The Group’s selling and marketing expenses primarily consist of promotion expenses and employee benefit expenses. During the Reporting Period, the Group’s selling and marketing expenses decreased to approximately RMB25.9 million, as compared to approximately RMB35.4 million for the year ended 31 December 2024. Such decrease was due to the Group’s optimisation of its business operations resulting in an improved per capita efficiency during the Reporting Period.

Administrative expenses

During the Reporting Period, the Group’s administrative expenses amounted to approximately RMB161.5 million, representing a decrease of approximately 4.4% from approximately RMB169.0 million for the year ended 31 December 2024. The decrease was mainly because of the Group’s continuous optimisation of its business operations and enhanced operational efficiency resulting in a decrease in the Group’s management-related administrative expenses.

Net impairment losses on financial assets

The Group’s net impairment losses on financial assets primarily included the provisions and reversals of the impairment for losses arising from potential bad debts in respect of trade, bills and other receivables. During the Reporting Period, the Group’s net impairment losses on financial assets amounted to approximately RMB0.9 million, as compared to approximately RMB79.3 million for the year ended 31 December 2024. Such decrease was mainly due to the Group taking proactive measures to collect trade receivables during the Reporting Period resulting in an improvement in overall collection of trade receivables and a corresponding decrease in the amount of impairment provisions made.

Finance cost, net

During the Reporting Period, the Group’s net finance cost amounted to approximately RMB1.7 million, representing a decrease of approximately 71.5% from approximately RMB5.9 million for the year ended 31 December 2024. Such fluctuation was mainly due to decrease in interest expense on lease liabilities during the Reporting Period.

Profit/(loss) before income tax expense

During the Reporting Period, the Group recorded a profit before income tax of approximately RMB45.3 million, as compared to a loss before income tax expense of approximately RMB65.5 million for the year ended 31 December 2024. Such turnaround was mainly due to the Company making substantial impairment provisions for trade receivables from real estate developer customers and certain third-party customers for the year ended 31 December 2024, whereas no significant impairment provision was made for the Reporting Period resulting in the Group's financial results not being adversely impacted for the Reporting Period.

Income tax expense/(credit)

During the Reporting Period, the Group recorded income tax expense of approximately RMB9.9 million, as compared to income tax credit of approximately RMB3.9 million for the year ended 31 December 2024. Such change was mainly resulted from an increase in the Group's profit before income tax expense during the Reporting Period.

Intangible assets

The Group's intangible assets mainly comprised customer relationships and goodwill of the Group during the Reporting Period. As at 31 December 2025, the Group's intangible assets remained relatively stable at approximately RMB278.7 million.

Trade, bills and other receivables

As at 31 December 2025, the carrying amounts of the Group's trade and bills receivables amounted to approximately RMB709.3 million, representing a decrease of approximately 0.6% as compared to approximately RMB713.8 million as at 31 December 2024. As at 31 December 2025, the provision for impairment of trade and bills receivables amounted to approximately RMB120.8 million, representing an increase of approximately 1.7% from approximately RMB118.8 million as at 31 December 2024. As at 31 December 2025, the carrying amounts of the Group's other receivables amounted to approximately RMB61.6 million, representing an increase of approximately 19.9% from approximately RMB51.4 million as at 31 December 2024. As at 31 December 2025, the provision for impairment of other receivables amounted to approximately RMB1.6 million, representing a decrease of approximately 60.3% from approximately RMB4.0 million as at 31 December 2024. The decrease in the carrying amount of trade and bills receivables was mainly due to the Company's proactive efforts to collect outstanding payments, which effectively reduced such amount. The increase in the carrying amount of other receivables was mainly attributable to (i) an increase in receivables on disposal of a joint venture during the Reporting Period; and (ii) an increase in deposits and other payments made in the ordinary course of business by the Company during the Reporting Period.

Trade payables

As at 31 December 2025, the Group's trade payables amounted to approximately RMB395.9 million, representing a year-on-year increase of approximately 24.5% from approximately RMB317.9 million as at 31 December 2024, mainly due to an increase in trade payables for provision of City Operations Services.

Contract liabilities

The Group's contract liabilities mainly represents the advance payments made by customers while the underlying services, primarily City Operations Services, have yet to be provided and thus the relevant revenue has not been recognised. As at 31 December 2025, the Group's contract liabilities amounted to approximately RMB316.3 million, representing a decrease of approximately 6.0% from RMB336.4 million as at 31 December 2024, which was mainly due to a reduction in the amount of prepaid property management fees from property owners received during the Reporting Period.

LIQUIDITY AND CAPITAL 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 principal use of the cash was for working capital, which was mainly funded from cash flow generated from operations.

As at 31 December 2025, cash and cash equivalents of the Group was approximately RMB299.1 million, as compared with approximately RMB261.7 million as at 31 December 2024.

As at 31 December 2025, the Group's total equity amounted to approximately RMB436.9 million, representing an increase of approximately 6.8% from RMB409.2 million as at 31 December 2024.

CAPITAL MANAGEMENT

The Group regularly reviews and manages its capital structure to ensure that the Group will be able to continue as a going concern while maximising the return to its shareholders through optimisation of the debt and equity balance. The Group's overall strategy remained unchanged throughout the Reporting Period.

At the end of the Reporting Period, the gearing ratio (defined as total debt divided by total equity) of the Group decreased to approximately 9.8% from approximately 22.2% as at 31 December of 2024.

BORROWINGS AND PLEDGE OF ASSETS

As at 31 December 2025, the Group did not have any outstanding borrowings (as at 31 December 2024: nil).

As at 31 December 2025, the Group did not have any pledge of assets.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

CAPITAL COMMITMENTS

As at 31 December 2025, the Company had no capital commitments.

OUTLOOK FOR 2026

In 2026, amid the structural transformation of the property management industry, the Group will continue to uphold the service philosophy of “For Every Moment of Peace of Mind”, and is committed to becoming a genuine value creator: delivering sustainable long-term returns to shareholders, building a win-win development platform for partners, and providing perceptible service value to homeowners. To achieve this goal, the Group will take the “Three Capabilities” as its core strategic drivers: forging an optimal cost-to-efficiency ratio, securing a robust cash flow resilient to economic cycles, and innovating to create customer value. It will deeply integrate sound operation with innovative breakthroughs, drive all-round transformation and upgrading of “people, organization and culture”, and ultimately achieve high-quality and sustainable development.

(1) Focused market penetration, strengthen existing business foundations, expand incremental opportunities, and activate new drivers for business growth

The Group will increase its strategic deployment across three dimensions: business formats, customers, and regions—shifting from “broad expansion” to “refined cultivation” to build differentiated competitive advantages. In terms of business formats, the Group will consolidate its strength in residential services while further exploring non-residential sectors such as schools and government service centres. In customer development, the Group will continue to strengthen cooperation with strategic clients and promote the “one point driving multiple sites” benchmark model of the Nanning Liangqing project to enhance customer stickiness and cooperation scope. In regional development, the Group will focus on core and high-potential cities, concentrate resources to build signature projects that embody distinctive Dowell characteristics and strong regional recognition, strengthening regional brand influence and increasing regional market share.

Driven by both existing and incremental business: on the existing side, the Group will prioritise “service quality enhancement” to solidify customer reputation while identifying new value-added touch-points, extending from basic property services to diversified value-added services to achieve boundary-less service offerings and unlock additional project value. On the incremental side, the Group will proactively enter emerging sectors such as new energy, AI and robotics, and advanced manufacturing to capture new property management service demand. The Group will reshape its service mindset and operating model, shifting from traditional service provision (i.e. “helping customers to spend money”) towards value creation (i.e. “helping customers to save money and make money”), in order to become a true value creator for its clients.

In terms of mechanisms and capabilities: the Group will implement a “true incentive” all-staff marketing system to mobilise both internal and external resources to capture new leads. In capability building, the Group will move away from the traditional “individual-driven” market development model by establishing a “Market Expansion Iron Triangle” team structure, strengthening team collaboration and building an efficient market expansion system. Through coordinated synergy among frontline, mid-office and back-office units, the Group aims to significantly improve business development conversion rates.

(2) Build a dual-engine model of “New Consumption + Smart Technology” to accelerate the development of the second growth curve

In 2026, the Group will accelerate the development of its second growth curve through two core engines: upgrading the new consumption ecosystem and advancing smart-technology-driven innovation.

New consumption: The Group will focus on upgrading “scenario-based” and “professionalised” services. In community new retail, the “Shenma” system will be upgraded to version 2.0, enhancing standardised operations for “Shenma Xiaopu” and “Shenma Dongdong”, and strengthening service penetration into key customer groups, such as families with children, senior residents, and pet-owning households. Signature community activities, such as “Ma Shang You Market Fest” will cultivate distinctive lifestyle scenarios and reinforce the Group’s “4+X” service ecosystem. In home improvement services, the Group will adhere to the strategy of “self-operated cultivation and channel-driven expansion”, integrating design, construction and after-sales to form a full-value-chain service model. Focusing on home revitalisation and elder-friendly renovation, the Group will expand channel penetration through self-media matrices and increase market share. In asset rental and sales, the Group will maintain a light-asset and digital-driven approach, expanding its “no-storefront” operating model to enable multi-functional roles and fully digitalised service processes.

Smart technology (Smart-IFM): The Group will implement a strategy of “dual deployment (internal + external)” and “benchmark replication”. Smart Cleaning: Domestically, the Group will scale up deployment of its SCS service and establish an integrated “air-land-ground” capability platform to strengthen its industry position. Internationally, the Group will explore opportunities to expand the “human + robot” cleaning model in markets such as Vietnam. The Group will also export its AI+IoT platform to small and medium-sized property enterprises to accelerate technology monetisation. Energy Management: The Group will develop standardised energy-efficiency retrofit solutions, first conducting pilot verification in internal and external collaborative scenarios. Upon establishing replicable models, the Group will rapidly scale implementation, striving to deliver flagship benchmark projects across industries and evolving from “single-service provision” to “comprehensive energy solutions”.

(3) Develop home-based healthcare services and build the “Benevolence” brand

In 2026, the Group’s sub-brand “Dowell Benevolence” will adhere to its core philosophy of “With Benevolence Comes Peace of Mind”, positioned around home-based healthcare services. Guided by the principle of “human-centred care throughout the health lifecycle”, and driven by both home-based care and hospital companion services, the Group will advance the professionalisation, scale-up, and intelligent development of its healthcare segment, aiming to become a trusted home-health service brand for families across China.

The Group will strengthen three major core capabilities by enhancing standards for home-care services, hospital companionship and nursing, and respite services, refining service tiers and operating procedures. Leveraging standardised tools, the Group will ensure full-process service traceability while strengthening safety frameworks through enhanced insurance coverage and emergency response plans. The Group will enhance the “medical, nursing, rehabilitation, elderly care” integrated service loop by implementing models across hospital-based services, community-based services, and chronic disease stations to ensure seamless connections between inpatient and home-based care. Through community resource integration and policy-driven support, the Group will utilise chronic-disease registration as an anchor to achieve precise customer acquisition and conversion. In channel development, the Group will reinforce the online platform’s customer-acquisition advantages while expanding targeted partnerships with insurance companies and hospitals. It will also activate private-domain traffic through community stations and owner groups, and expand to new-media and emerging traffic channels to build an online-offline integrated customer acquisition system. At the same time, the Group will strengthen cooperation with state-owned enterprises, universities, and medical institutions to establish talent training bases for cultivating a certified and professionally competent service workforce.

Additionally, the Group will further develop community-based elderly-care solutions by building 15-minute elderly service circles, enhancing the “community care + home care” model, leveraging government-enterprise collaboration, and expanding service coverage to bring professional health services to more families.

(4) Lean operations: safety as the foundation, capability as the pinnacle – becoming customer’s most trusted value partner

The Group will continue to regard safety and quality as its fundamental pillars and will adopt “comprehensive star-level governance” as its core operational focus. By integrating the Group’s smart-technology strengths and leading industry practices across all business lines, the Group aims to achieve full-process AI-driven visibility and control across every service scenario. By bringing technology into frontline operations, the Group enhances its proprietary product strengths, achieving a unified blend of standardisation and smart management, where “every detail is captured and every stage is properly followed through”.

In system guarantee, the Group will further enhance its supply chain system, implementing project star-rating mechanisms, competency models for management personnel, and full-scope visualised quality control to strengthen mid-back office support. The Group will establish a transparent and accountable supervisory system to create a disciplined operations environment and become customer’s most trusted “operational-efficiency partner”.

In quality control, instead of pursuing superficial customer-satisfaction metrics, the Group will focus on addressing customers’ pressing needs and difficulties and genuine sentiments. Star-rating assessments will be implemented for residential projects, while diversified evaluation methods will be introduced for non-residential projects to align service standards with customer expectations. The Group will deploy a “Quality Control Quadrant Diagnostic Model” and project signal light alert mechanism, issuing monthly “health check reports” to drive product capability enhancement through data. Through refined and closed-loop quality management, the Group will continue to elevate service performance and build long-term customer trust with every delivery.

(5) Digital empowerment for management efficiency enhancement

The Group will aim to “solve pain points, improve efficiency, and support management” by building a high-efficiency, agile and intelligent digital operation ecosystem. By maintaining strict oversight of system requirements and introducing a tiered requirement-evaluation mechanism, the Group will coordinate finance, market development and operations to focus on needs that genuinely solve operational issues and create financial value. With cost modelling and performance forecasting, the Group ensures every system investment contributes to actual efficiency enhancement and maximises resource utilisation. The Group will accelerate the development of a unified operations platform to replace fragmented legacy systems, resolve stability issues, and unify CRM, quality control, IoT and other data flows. With the scalability of its self-developed systems, the Group will establish a reliable “digital power core” to support uninterrupted business operations.

The Group will introduce AI technology into mid-back office functions to achieve intelligent management breakthroughs. Through tools such as “Butler 360 Evaluation” and AI anomaly-detection models, the Group will proactively identify operational risks such as indicator deviations and data inconsistencies. AI-driven optimisation will be applied to work-order assignment, energy management and attendance calculation, reducing labour costs and improving human-resource efficiency. Embracing a culture of “data-driven decision-making”, the Group will ensure digital tools are embedded in daily operations and will support breakthroughs in key areas such as arrears management and development of the second growth curve.

(6) Synchronised development of individuals and the organisation – iterative growth through co-creation

The Group will undertake a comprehensive restructuring across different aspects, i.e. talent, organisation and culture.

In talent development, the Group aims to cultivate versatile Dowell professionals who possess both craftsmanship and business acumen—individuals who (i) excel in meticulous service delivery; (ii) are capable of breaking bottlenecks through cross-stakeholder engagement; and (iii) are bold innovators who redefine value for customers. Future teams must possess practical insight to stay rooted in core business realities, the disciplined calm to refine every detail, and the boldness to reimagine customer value.

Organisationally, the Group will dismantle silos between business units and break down collaboration barriers between functional departments. Core capabilities such as procurement, data, technology and training will be consolidated into shared platforms. The Group will build an agile, horizontally connected and vertically empowered organisation, enabling frontline units to respond swiftly while receiving strong mid-back office support, truly realising the principle of “those who hear the gunfire should command the resources”.

Culturally, the Group will make a decisive shift from extensive and unstructured practices to professional and lean operations, and from merely completing tasks to creating meaningful value. The Group will establish clear incentive mechanisms, rewarding “cost-discipline masters” who help the Company and customers save real costs, as well as “breakthrough champions” who unlock new revenue streams. A cultural consensus will be reinforced across the organisation: zero tolerance for waste and full empowerment for innovation.

2026 will be a pivotal year for the Group to strengthen its organisational capabilities. The Group recognises that the industry adjustment cycle will eventually pass, and only enterprises that build and reinforce core capabilities will achieve renewal. The Group will adhere to long-term sustainability over short-term gains, striving not merely to be a “survivor” of industry consolidation, but to emerge as a “champion” which is capable of scalable growth through replicable capabilities. The Group aims not only to endure but to become its clients’ indispensable “best value partner”, seizing integration opportunities amid industry restructuring and delivering sustainable, exceptional returns to shareholders.

USE OF PROCEEDS RAISED FROM INITIAL PUBLIC OFFERING AND OVER-ALLOTMENT OPTION

The H shares of the Company (the “**H Shares**”) were successfully listed on the Stock Exchange on 29 April 2022 (the “**Listing Date**”) with 16,666,667 new H Shares issued and, upon the partial exercise of over-allotment option, 16,990,867 H Shares were issued in aggregate. Net proceeds from initial public offering and partial exercise of over-allotment option (the “**Net Proceeds**”) amounted to approximately HK\$139.8 million in total, after deducting the underwriting fees and relevant expenses. As at 31 December 2025, the Group has used approximately HK\$131.9 million of the Net Proceeds.

As disclosed in the Company’s announcements (the “**UOP Announcements**”) dated 23 June 2022, 23 August 2022, 13 December 2023 and 31 March 2025 regarding, among others, change in use of Net Proceeds, the Board resolved to alter the timeframe for the use of the Net Proceeds. Please refer to the UOP Announcements for further details. The Board will continuously assess the plan for the use of the Net Proceeds and may revise or amend such plan when necessary to cope with the changing market conditions.

The table below sets out the details of actual usage of the Net Proceeds as at 31 December 2025:

Item	Net Proceeds (HK\$ million)			Remaining balance expected to be fully used by
	Used From the Listing Date and up to 31 December 2025	Used For the year ended 31 December 2025	Unused As at 31 December 2025	
Strategic investments, cooperation and acquisition	83.2	0	0	N/A
Improve service quality and extend service offering	23.0	0	0	N/A
Upgrade and develop intelligent systems	11.9	0	0	N/A
General working capital	13.8	0.5	7.9	End of 2026
Total	<u>131.9</u>	<u>0.5</u>	<u>7.9</u>	

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

Save for the acquisition of Chengdu Dongyuhong, there were no other material investments, acquisitions or disposal of subsidiaries, associated companies or joint ventures during the Reporting Period.

EXCHANGE RATE RISK

The Group conducts its business in RMB and has limited exposure to the foreign exchange risk. However, due to the successful listing of the H Shares on the Stock Exchange in April 2022, any changes in value of Hong Kong dollars (“**HK dollars**”) and the interest rates will affect the performance of the Group. The Group currently does not engage in any hedging activities designated or intended to manage foreign exchange rate risk. Therefore, the Group will closely monitor the exchange rate risk and interest rate risk concerned, actively explore foreign exchange hedging options with major banks and use financial instruments to hedge against such risks when necessary.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the Reporting Period and up to the date of this announcement, there were no significant events affecting the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 5,652 employees (31 December 2024: 5,903 employees). During the Reporting Period, the total staff costs recognised as expenses were approximately RMB721.8 million (as at 31 December 2024: RMB735.2 million).

In terms of talent training, the Group will further enhance its employee training program with internal and external resources. The employee training programs primarily cover key areas in the Group’s business operations, which provide 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 after assessments is paid to employees to reward their contributions. 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, 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, supervisors of the Company (the “**Supervisors**”) and senior management, the Group will take into account salaries paid by comparable companies, time commitment and their respective responsibilities and performance of the Group.

CORPORATE GOVERNANCE

The Board is responsible for performing the corporate governance duties set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules. The principal role and function of the Board in relation to corporate governance is to develop and review the Company’s policies and practices on corporate governance, to review and monitor the training and continuous professional development of Directors and senior management of the Company, to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct applicable to employee and Directors, and to review the Company’s compliance with the Code and disclosure in the corporate governance report under the annual report of the Company.

To the knowledge of the Directors, during the Reporting Period, the Company has complied with all applicable code provisions set out in the CG Code. The Directors will use their best endeavors to procure the Company to continue to comply with the CG Code.

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 (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code for dealing in securities in the Company by the Directors and Supervisors.

After specific enquiries made to all Directors and Supervisors, the Directors and Supervisors have confirmed compliance with the required standard set out in the Model Code during the Reporting Period.

AUDIT COMMITTEE REVIEW

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code.

The primary duties of the Audit Committee include, among others, (i) providing an independent view of the effectiveness of the financial reporting process, internal control, compliance and risk management systems of the Group; (ii) overseeing the audit process and performing other duties and responsibilities as assigned by the Board; (iii) developing and reviewing the Company's policies and practices on corporate governance, compliance with legal and regulatory requirements and requirements under the Listing Rules; and (iv) developing, reviewing and monitoring the code of conduct applicable to the employees of the Group and Directors. The Audit Committee consists of three members, including Mr. Lu Youhua, Mr. Wang Susheng and Mr. Song Deliang. The Audit Committee is chaired by Mr. Song Deliang, an independent non-executive Director who possesses appropriate professional accounting and related financial management expertise. The Audit Committee has reviewed the Company's annual financial results for the year ended 31 December 2025 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

SCOPE OF WORK OF BDO LIMITED

The financial figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and the related notes thereto for the year ended 31 December 2025 as set out in this annual results announcement have been agreed by the Company's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited.

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 during the Reporting Period. The Company did not hold any treasury shares during the year ended 31 December 2025.

FINAL DIVIDEND

The Board resolved not to declare any final dividend for the Reporting Period.

ANNUAL GENERAL MEETING

The AGM has been scheduled to be convened on Tuesday, 9 June 2026. Shareholders of the Company should refer to details regarding the AGM in the circular and the notice of AGM and form of proxy to be published on the websites of the Company and the Stock Exchange in due course.

RECORD DATE FOR DETERMINING THE RIGHT TO ATTEND THE AGM

For the purpose of determining the rights to attend and vote at the AGM, the record date will be fixed at the close of business of Thursday, 28 May 2026. In order to be eligible to attend and vote at the AGM, all transfer documents of the Company accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 28 May 2026.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's website at www.dowellservice.com and the Stock Exchange's website at www.hkexnews.hk. The annual report of the Company for the year ended 31 December 2025 will be despatched to the shareholders of the Company as required and will be available on the said websites in due course.

By order of the Board
DOWELL SERVICE GROUP CO. LIMITED*
東原仁知城市運營服務集團股份有限公司
Ms. Luo Shaoying
Chairman and executive Director

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises Ms. Luo Shaoying as executive Director; Mr. Zhang Aiming and Ms. Yi Lin as executive Directors, whom also act as employee Directors; Mr. Hu Xiaolin as a non-executive Director; and Mr. Lu Youhua, Mr. Wang Susheng and Mr. Song Deliang as independent non-executive Directors.

* *For identification purposes only*