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SHIMAO SERVICES HOLDINGS LIMITED

世茂服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 873)

**ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

RESULTS HIGHLIGHTS

1. Revenue amounted to RMB7,880.0 million, which remained stable as compared to RMB7,895.5 million for the same period of 2024.
2. Revenue of the Group was derived from four business lines: (1) property management services; (2) community value-added services; (3) value-added services to non-property owners; and (4) city services. During the year, (1) revenue from property management services was RMB5,816.5 million, accounting for 73.8% of the total revenue and representing a year-on-year increase of 4.5% as compared to RMB5,564.3 million for the same period of 2024; (2) revenue from community value-added services was RMB1,322.8 million, accounting for 16.8% of the total revenue and representing a year-on-year increase of 9.5% as compared to RMB1,207.7 million for the same period of 2024; (3) revenue from value-added services to non-property owners was RMB199.1 million, accounting for 2.5% of the total revenue and representing a year-on-year increase of 13.1% as compared to RMB176.0 million for the same period of 2024; and (4) revenue from city services was RMB541.6 million, accounting for 6.9% of the total revenue and representing a year-on-year decrease of 42.8% as compared to RMB947.5 million for the same period of 2024.
3. Gross profit amounted to RMB1,400.1 million, representing a year-on-year decrease of 10.5% as compared to RMB1,564.3 million for the same period of 2024.
4. Operating profit amounted to RMB161.5 million, representing a significant increase as compared to operating loss of RMB157.7 million for the same period of 2024.

5. Profit for the year amounted to RMB134.6 million, representing a significant increase as compared to loss for the year of RMB223.0 million for the same period of 2024. During the year, profit attributable to equity holders of the Company was RMB103.3 million, representing a significant increase as compared to loss attributable to equity holders of the Company of RMB272.4 million for the same period of 2024. The core net profit^(Note) attributable to equity holders of the Company was RMB524.3 million, representing a year-on-year increase of 6.5% as compared to RMB492.4 million for the same period of 2024.
6. During the year, basic earnings per share amounted to RMB0.04, representing a significant increase as compared to basic loss per share of RMB0.11 for the same period of 2024.
7. The Group's cash and cash equivalents, including time deposits with maturity over three months, amounted to RMB2,991.3 million as of 31 December 2025, representing a decrease of 20.5% as compared to RMB3,764.2 million as of 31 December 2024, mainly due to (1) investment in project quality enhancement; (2) the payment for the past equity transfer during the year; (3) investment in financial assets at fair value through profit or loss; and (4) investment in associates.

Note: It represents the core net profit attributable to equity holders of the Company by excluding provisions for bad debts attributable to the parent, share-based compensation income, amortisation of intangible assets from mergers and acquisitions (“M&A”) – customer relationships, loss on disposal of subsidiaries, impairment losses on goodwill and customer relationships, inventory impairment, amortisation of unrecognised finance charges from discount on acquisition consideration, performance-based compensation income and the impact of relevant deferred tax.

CHAIRMAN’S STATEMENT

Dear shareholders,

I am pleased to present the annual results of Shimao Services Holdings Limited (“Shimao Services”, “Shimao” or the “Company”, together with its subsidiaries, the “Group”) for the year ended 31 December 2025.

Market and Industry

Over the past few years, the real estate industry in China underwent profound adjustment, transitioning gradually towards a new phase characterised by “enhancing the quality of existing capacity and fostering sustainable development”. Against this backdrop, players in the property management services industry have also repositioned themselves as lifetime property managers and comprehensive urban services providers, rather than merely community stewards, and are poised for transformation of the traditional property management towards modern services industry.

The 15th Five-Year Plan Outline, released in October 2025, states that “Housing quality improvement projects and initiatives to enhance the quality of property services should be carried out. A full life-cycle safety management system should be established for housing”, which marked the first time that “property management services” has been explicitly referred to in a five-year plan, implying that it would be evolving from supporting services to an important force in urban governance, public welfare and housing safety. Meanwhile, the outline also emphasised the need to “facilitate the development of high-quality, diversified and convenient daily life services”.

The property management services sector has embarked on a new chapter. Beyond overseeing the safety management of housing throughout its entire lifecycle, it emerges as a pivotal force in the urban upgrades, operation of existing projects and long-term governance. This involves refurbishing ageing communities, addressing deficiencies in infrastructure, enhancing support for public services, and managing mature neighbourhoods. By taking part in the construction of “quality housing, estates, communities, and districts”, the sector creates superior living conditions for residents and refines city functions.

With a focus on the direction of enhancing the quality of existing projects, value co-creation and pursuing sustainable development, leading enterprises are actively expanding market boundaries and deepening business potential by adopting a customer-centric, market-driven orientation and technological innovation.

Deepen engagement in the existing property market

Players proactively expanded their service offerings by actively engaging in refurbishing ageing residential estates, revitalising existing buildings and repurposing industrial heritage sites. This enhances operational capabilities for existing properties, unleashes their market value, improves residents’ living experiences and broadens profit growth prospects.

Expand into the non-residential property sector

The non-residential property sector is capturing the market-oriented and professional development trend with focus on deploying its non-residential fields, such as universities and colleges, hospitals, public buildings and industrial parks. With profound service experiences and standardised management systems, players are developing differentiated services and delivering integrated operational services, which extends non-residential property management services beyond basic maintenance and operations into value-added management. By broadening the customer base and optimising business structure, they are enhancing market competitiveness through economies of scale, thereby driving dual growth in both business scale and profitability.

Upgrade services through technology

The development of digital and intelligent systems to promote the deep integration of artificial intelligence (AI) technologies with property management services is picking up, with an aim of reshaping the property management service value chain, increasing service efficiency and management precision as well as promoting low-carbon operations. To facilitate the transformation of property management services sector, players are enhancing efficiency and reducing operational costs through process innovation and technological applications for high-quality sustainable development.

Develop community value-added services

Players are proactively rebranding themselves as comprehensive integrated service providers for large communities. By capitalising on the shifts in resident needs driven by enhanced quality of existing properties, we are integrating premium internal and external resources to enrich community value-added services portfolio and continuously refine value-added services, such as better convenience facilities for residents, elderly care and companionship, community activities, parent-child services and asset management, so as to increase their sense of wellbeing, thereby transitioning from “property management” to “lifestyle services”.

Fulfill social responsibilities

Aiming at deep integration into urban governance at the grassroots level, players focused on city management, public welfare and housing safety, and thus established a strong presence in the communities to support the communication channels among property owners, communities and governments, thereby enhancing the overall urban governance efficiency.

Annual Results

In 2025, the Group recorded revenue of RMB7,880.0 million, gross profit of RMB1,400.1 million, net profit of RMB134.6 million and core net profit of RMB572.1 million. The gross floor area (“GFA”) under management amounted to 221.2 million sq.m. and the contracted GFA reached 334.6 million sq.m..

Excellent Market Expansions

In 2025, Shimao Services anchored the core objective of market expansion with steadfast execution, resolute determination and enterprising spirit, taking annual performance to a new peak. A number of key indicators rose to new historic highs. Additional annualised contract amount reached RMB1,973.9 million, representing a year-on-year increase of 33.1%; newly-added contracted GFA was 54.8 million sq.m., up by 27.1% year-on-year. With accelerated expansion pace, improved project quality and robust growth momentum, the market expansion team delivered once again outstanding performance, injecting a strong impetus into the high-quality development of the Company.

Shimao Services implemented a development strategy of deepening presence particularly in high-tier cities. Aiming at precisely core strategic city clusters, the Company focused on regions with competitive advantages for meticulous development and quality and efficiency improvement. By allocating outstanding staff and resources, Shimao Services extended its business presence in key areas and fully penetrated the core markets. Leveraging substantial brand heritage and outstanding market reputation, Shimao Services steadily expanded its market footprint while continuously increasing market share and strengthening market position.

In terms of project expansion, Shimao Services adhered to high-quality development as the core guideline. Led by the Investment and Expansion Committee, the Company conducted joint professional reviews to uphold project approval and evaluation standards. This ensures comprehensive quality control and long-term operational value, fortifying the project foundation from its inception and laying a solid groundwork for sustained, stable operations and efficient business management.

In terms of sector layout, Shimao Services increased its engagement in advantageous sectors, prioritising high-end and strategic fields such as semiconductors, telecommunications, energy, banking and port operations. The Company focuses on expanding into superior projects and establishing connections with leading industrial players, with an aim to build core competitiveness continuously in high-end industrial services and forge distinctive advantages.

Meanwhile, Shimao Services kept on expanding its project pipeline while maintaining a balance between scale and profitability. In particular, key projects underwent dynamic, full-cycle monitoring to ensure the sustainability, quality and long-term growth of business expansion. The Company actively deepened external collaborations, fully leveraged its brand influence and professional operation and management capabilities, strengthened strategic partnerships with local state-owned enterprises, local government financing vehicles and regional industry leaders to broaden business horizons and expand operation scale, in order to create synergy for a win-win relationship.

Efficient Management

In 2025, Shimao Services launched a systematic initiative to enhance operational management efficiency. By progressively replacing repetitive labour work with AI applications, we have refined our measures in cost reduction and efficiency enhancement across three key dimensions, namely, operational expenditure, energy consumption, and administrative expenses. Such an approach has driven improvement in both management effectiveness and operational profitability, bringing the administrative expenses ratio down to 8.9%.

In terms of operation and management, the costs of core business were reduced through precise control and supply chain efficiency improvements, resulting in effective cost reduction. Employing a comprehensive project health framework as our core approach, we conducted meticulous breakdowns and large-scale analysis of all key cost items throughout the project lifecycle. This enabled accurate identification of key points of cost structure and inefficient expenditure, facilitating targeted resource allocation based on actual requirements and reducing unnecessary cost consumption at the root. Concurrently, we penetrated the end-to-end supply chain management further, and strengthened centralised procurement and core competency in bargaining power. By consolidating internal and external procurement requirements and expanding the scope of centralised purchasing, we leveraged economies of scale to enhance bargaining power with suppliers, directly reducing service procurement costs. Furthermore, we established a mechanism that links supply chain quality control with cost management, achieving optimal supply chain costs while maintaining quality standards and continuously optimising business cost structure.

In terms of technology empowerment, we maximised energy utilisation efficiency and reduced energy consumption costs through technology-driven transformation and dynamic optimisation. Focusing on digital cost reduction and intelligent efficiency enhancement, AIoT and IoT technologies were further implemented within energy management, and an intelligent and meticulously refined energy consumption control system was established. We established a real-time dynamic monitoring and intelligent adjustment system for high-energy-consumption equipment within the industrial parks and buildings. This enables round-the-clock monitoring of equipment operational status, data analysis, and intelligent regulation, precisely matching equipment operational loads with actual usage requirements to comprehensively enhance energy utilisation efficiency. Concurrently, through the high-tech machines applications such as cleaning robots and intelligent inspection equipment, we replaced traditional manual operations with intelligent equipment to enhance operational efficiency, reduce waste arising from manual process and drive a systematic restructuring of the cost structure of energy consumption.

Quality Enhancement

In 2025, Shimao Services launched a comprehensive quality enhancement initiative, cultivating a highly-perceivable and heartwarming service system through multi-dimensional revitalisation.

Anchoring our efforts on the core objective of service quality enhancement, we launched a comprehensive brand revitalisation initiative. This multi-dimensional approach focused on service capabilities, public spaces and community ecosystems, facilitating the frontline teams to make all-round improvements in service quality and offer heartwarming, premium and dynamic services. Hence, our customer satisfaction has been rising.

Deepening the core of our “Heartwarming Service” philosophy to fortify the foundation of customer experience. In its “Heartwarming Service” initiative, Shimao Services prioritised customer needs to accurately identify and efficiently address the diverse service requirements of property owners. Focusing on care for groups with special needs in the compound, we rolled out dedicated services for “the elderly and children”, including specialised services such as considerate elderly assistance, warm companionship for seniors, and caring child pick-up and drop-off services. Regular inspections of vacant properties were arranged to safeguard owners’ assets.

Upgrading public spaces and refreshing compounds to create a desirable living environment. We systematically advanced hardware upgrades to enhance the quality of our community spaces. We took concrete action for “Illumination Optimisation” and improved the lighting along the two main routes and in the public spaces by comprehensively upgrading the lighting systems. Facility renewal was another focus, where we improved the security system and fortified the safety of the compound. We revitalised recreational facilities to enrich residents’ leisure experiences, and elevated our landscaping maintenance standards through laying new turf to replace a lawn, transplanting trees, and landscape beautification to create a comfortable and pleasant residential environment.

Creating vibrant communities to enrich the cultural life of neighbourhood. We focused on fostering harmonious neighbouring relations and meticulously built a diverse community ecosystem. Centered around core themes such as traditional festivals, mental wellbeing, and parent-child bonding, we planned and delivered distinctive cultural activities spanning multiple age groups and domains. From Spring Festival cultural gatherings to corporate networking events, and from family-friendly activities to wellness programmes for the elderly, our diverse offerings enriched the community life of the residents while fostering closer neighbouring bonds. Together, a warm, harmonious and joyful community atmosphere was created.

Future Outlook

“Service is essence” is the development direction upheld by Shimao Services. For the property management services industry, the essence of delivery lies not in a one-off product, but in a continuous service experience that is perceptible to the customer throughout the entire lifecycle.

In 2026, premium services will serve as the cornerstone, upon which Shimao Services will deepen its commitment to core sectors, including residential properties, universities and colleges and industrial parks. By enhancing project fulfilment capabilities, increasing customer satisfaction and strengthening customer loyalty, we will solidify the foundations for healthy growth in the long run.

Strengthen operational capabilities, boost efficiency and fortify the foundation for growth. We will conduct systematic reviews and diagnostics for projects under our management to establish a dedicated mechanism of “one project, one strategy”. We will implement full-chain optimisation across market positioning, service product design, and on-site operation models. Through accurate identification of core revenue drivers, we will redirect human and material resources towards high-return businesses, with an aim to achieve a fundamental improvement in project operational quality.

Enhance cost control capabilities, strengthen the supply chain and deepen strategic supplier partnerships. We will establish long-term, stable cooperative relationships with core strategic suppliers. Through centralised procurement and collaborative innovation, we will secure premium resources and favourable pricing and mitigate supply chain volatility risks while improving the stability and quality of project operation. This will ensure smooth and efficient delivery of property management services.

Increase management effectiveness and invigorate digital intelligence management. We will comprehensively upgrade our AI application capabilities. Furthering the development of our “intelligent monitoring + remote management” system, we will extensively promote the application of AI technology across operational scenarios, including security, cleaning, and facility maintenance. Through intelligent inspections, data-driven alerts and remote collaboration, proactive and visualised management actions will become possible. This will substantially reduce on-site management costs while enhancing control efficiency and response speed across property projects in different regions.

Increase brand promotion to elevate brand influence. We will continuously improve customer satisfaction through standardised service processes, meticulous client management and rapid response mechanisms. Building upon our reputation for quality service, we will establish a multi-channel communication matrix. By transforming client trust into brand influence, we will heighten the brand’s recognition and prestige within the industry, thereby injecting momentum into business growth.

Social Responsibility

Shimao Services always integrates social responsibility into its entire business development process. While promoting its healthy growth, it remains committed to sharing fruitful development with its employees, customers, shareholders and society, fulfilling its corporate mission and social responsibility through pragmatic actions.

In the pursuit of sustainable development, Shimao Services is committed to establishing a green and environmentally friendly service model, with an aim to systematically reduce the environmental impact across all aspects of operation. The Company advances community energy-saving renovations by establishing a comprehensive, lifecycle-based energy management system, strengthening collaboration with customers to jointly create a green and desirable living environment. It actively pursues waste recycling, renewable energy promotion and smart city initiatives, driving urban low-carbon transformation through efficient resource utilisation and injection of sustained momentum into green development.

In 2025, Shimao Services successfully elevated its ESG score under the S&P Corporate Sustainability Assessment (CSA) to 30+, upgraded its China Chengxin International (CCXI) ESG rating to Grade A, and maintained its Morgan Stanley Capital International (MSCI) ESG rating at Grade BBB. Shimao Services was also awarded “2025 Best ESG Practices of China’s Listed Property Management Enterprises” and “Leading Property Management Company in Low-carbon Operation in China for 2025”.

Acknowledgement

In 2025, the global economy faced the impact of tariffs, trade frictions and policy uncertainties. Amidst mounting external pressures and increasing internal challenges, China’s economy persevered through innovation and moved forward steadily.

On behalf of the Board, I would like to extend my heartfelt gratitude and deepest respect to our shareholders, business partners, local governments, property owners, customers and the staff of Shimao Services for their immense support. Your understanding and support in joining hands with us are very much appreciated.

The Company remains steadfast to the guiding principles of “responsibility, collaborative breakthrough, and secure the fruitful results”. By proactively adapting to shifts in the industry, the Company transforms core strengths into drivers of growth, insisting on pragmatic execution and innovation-driven development. By seizing opportunities amidst challenges and enhancing quality and efficiency through transformation, the Company consistently delivers robust and sustainable value returns for shareholders.

Hui Sai Tan, Jason
Chairman

Hong Kong, 27 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

➤ Business Overview

The Group aims to become a leading comprehensive property management services provider in China, providing property owners with high quality property management services and diversified value-added services tailored to the needs of customers. Currently, the Group has four major business segments: (1) property management services; (2) community value-added services; (3) value-added services to non-property owners; and (4) city services.

As at 31 December 2025, the Group had businesses presence in 145 cities and provided a wide variety of services for 1,428 projects, covering various types of customers, including residences, public buildings, universities and colleges, industrial parks and hospitals, etc. The GFA under management was 221.2 million sq.m. and the contracted GFA was 334.6 million sq.m..

The following table sets out the number of cities covered by the Group's businesses and the number of projects under management as at 31 December 2025 and 31 December 2024, respectively:

	As at 31 December		
	2025	2024	Change
	number	number	
	<i>(unit)</i>	<i>(unit)</i>	<i>(%)</i>
Cities covered by projects under management	145	122	18.9%
Projects under management	1,428	1,447	-1.3%

As of 31 December 2025, the Group recorded revenue of RMB7,880.0 million, gross profit of RMB1,400.1 million, and net profit of RMB134.6 million. Profit attributable to equity holders of the Company was RMB103.3 million, and core net profit was RMB572.1 million. Gross profit margin and net profit margin stood at 17.8% and 1.7%, respectively, profit margin attributable to equity holders of the Company was 1.3%, and core net profit margin stood at 7.3%.

The following table sets forth the Group's revenue by business segments for the years ended 31 December 2025 and 31 December 2024, respectively:

	For the year ended 31 December				Change in revenue	Change in percentage
	2025		2024			
	Revenue (RMB million)	Percentage (%)	Revenue (RMB million)	Percentage (%)	(%)	(percentage point)
Property management services	5,816.5	73.8%	5,564.3	70.5%	4.5%	increase by 3.3 percentage points
Community value-added services	1,322.8	16.8%	1,207.7	15.3%	9.5%	increase by 1.5 percentage points
Value-added services to non-property owners	199.1	2.5%	176.0	2.2%	13.1%	increase by 0.3 percentage point
City services	541.6	6.9%	947.5	12.0%	-42.8%	decrease by 5.1 percentage points
Total	<u>7,880.0</u>	<u>100%</u>	<u>7,895.5</u>	<u>100%</u>	<u>-0.2%</u>	N/A

ANALYSIS ON BUSINESS SEGMENTS

➤ Property Management Services

- **Representing 73.8% of total revenue and 77.1% of total gross profit**

In 2025, the Group's property management services recorded higher revenue. As of 31 December 2025, the Group's revenue from property management services amounted to RMB5,816.5 million, representing a year-on-year increase of 4.5% as compared to RMB5,564.3 million for the same period of 2024. The increase in revenue was mainly attributable to (1) the Group's proactive market expansion in third-party bidding with increase in GFA under management; and (2) an increase in the GFA under management delivered by Shimao Group Holdings Limited ("Shimao Group Holdings", together with its subsidiaries, collectively, the "Shimao Group"), which directly contributed to the revenue.

As of 31 December 2025, gross profit from property management services of the Group was RMB1,079.1 million, representing a year-on-year decrease of 3.7% as compared to RMB1,120.8 million for the same period of 2024; the gross profit margin was 18.6%, representing a year-on-year decrease of 1.5 percentage points as compared to 20.1% for the same period of 2024. In the future, the Group will (1) focus on the upgrade of its management to continuously enhance the operational capability; (2) enhance frontline efficiency by refining the operation further; and (3) steadily advance the implementation of energy-saving renovation and strengthen energy management across multiple dimensions, thereby facilitating the sound development of property management services via multi-pronged approaches.

- **Increase in management scale**

In 2025, the Group's management scale expanded, with both the GFA under management and the contracted GFA increased as compared to the full year of 2024, while the overall structure of projects under management was further enhanced.

As at 31 December 2025, the Group's GFA under management was 221.2 million sq.m., representing a year-on-year increase of 1.3% as compared to 218.4 million sq.m. for the same period of 2024; the Group's contracted GFA was 334.6 million sq.m., representing a year-on-year increase of 6.5% as compared to 314.3 million sq.m. for the same period of 2024. The increase of GFA under management and contracted GFA was attributable to (1) the fact that the market expansion team of the Group was proactive in making precise layout by revolving around diverse property types including residences, office buildings, and public buildings. It actively pursued market development and strategic partnerships for high-quality property projects, thereby steadily expanding market presence and management scale; and (2) the Shimao Group's steady project delivery, which contributed to the increase in GFA under management.

The following table sets forth the Group's GFA under management and contracted GFA as at 31 December 2025 and 31 December 2024 respectively:

	As at 31 December		
	2025	2024	Change in area
Area	Area	Area	
	<i>(sq.m. in million)</i>	<i>(sq.m. in million)</i>	<i>(%)</i>
GFA under management	221.2	218.4	1.3%
Contracted GFA	334.6	314.3	6.5%

As at 31 December 2025, the GFA under management from independent third-party developers was 157.4 million sq.m., representing a year-on-year increase of 0.8% as compared to 156.1 million sq.m. for the same period of 2024. The contracted GFA from independent third-party developers was 257.3 million sq.m., representing a year-on-year increase of 8.1% as compared to 238.1 million sq.m. for the same period of 2024. The increase in GFA under management and contracted GFA from independent third-party developers was mainly attributable to the continuous enhancement of the Group's market expansion capabilities, which consistently contributed to the newly-added GFA under management and contracted GFA, fuelling the Group's business development.

The following table sets forth the Group's GFA under management and contracted GFA which were categorised by property developer type as at 31 December 2025 and 31 December 2024, respectively:

	As at 31 December				Change in area (%)	Change in percentage (percentage point)
	2025		2024			
	Area (sq.m. in million)	Percentage (%)	Area (sq.m. in million)	Percentage (%)		
GFA under management	221.2	100%	218.4	100%	1.3%	N/A
Among which:						
From Shimao Group and its co-developers	63.8	28.8%	62.3	28.5%	2.4%	increase by 0.3 percentage point
From independent third- party developers	157.4	71.2%	156.1	71.5%	0.8%	decrease by 0.3 percentage point
Contracted GFA	334.6	100%	314.3	100%	6.5%	N/A
Among which:						
From Shimao Group and its co-developers	77.3	23.1%	76.2	24.2%	1.4%	decrease by 1.1 percentage points
From independent third- party developers	257.3	76.9%	238.1	75.8%	8.1%	increase by 1.1 percentage points

As at 31 December 2025, the Group's GFA under management of residential properties was 143.3 million sq.m., representing a year-on-year increase of 2.7% as compared to 139.6 million sq.m. for the same period of 2024. Contracted GFA of residential properties was 203.0 million sq.m., representing a year-on-year increase of 5.2% as compared to 193.0 million sq.m. for the same period of 2024. The primary reasons for the increase were the fact that: (1) the Group always adheres to service quality as its core objective, and actively consolidated its residential business foundation. Through the continuous improvement of service standards, refined service systems, enhanced response efficiency and living experiences, its customer satisfaction and brand loyalty have been increasing, which solidified the foundation for its sound business growth; and (2) with its excellent service capabilities and outstanding market reputation accumulated for years, the Group proactively seized market opportunities, intensified market expansion efforts and effectively expanded its management scale.

As at 31 December 2025, among the Group’s GFA under management, 85.4% of the property projects were located in first-tier, new first-tier and second-tier cities in China. With its high-quality project portfolio and increasing management scale, the Group not only achieved the sustainable growth in revenue from property management services, but also built a foundation for the development and expansion of a wide range of diversified value-added services.

The following table sets forth the Group’s GFA under management and contracted GFA which were categorised by property type as at 31 December 2025 and 31 December 2024, respectively:

	As at 31 December				Change in area (%)	Change in percentage (percentage point)
	2025		2024			
	Area (sq.m. in million)	Percentage (%)	Area (sq.m. in million)	Percentage (%)		
GFA under management	221.2	100%	218.4	100%	1.3%	N/A
Among which:						
Residential properties	143.3	64.8%	139.6	63.9%	2.7%	increase by 0.9 percentage point
Non-residential properties	77.9	35.2%	78.8	36.1%	-1.1%	decrease by 0.9 percentage point
Contracted GFA	334.6	100%	314.3	100%	6.5%	N/A
Among which:						
Residential properties	203.0	60.7%	193.0	61.4%	5.2%	decrease by 0.7 percentage point
Non-residential properties	131.6	39.3%	121.3	38.6%	8.5%	increase by 0.7 percentage point

As of 31 December 2025, the Group’s terminated GFA under management amounted to 30.9 million sq.m., representing a year-on-year decrease of 49.3% as compared to 60.9 million sq.m. for the same period of 2024, and the Group’s terminated contracted GFA amounted to 37.2 million sq.m., representing a year-on-year decrease of 40.2% as compared to 62.2 million sq.m. for the same period of 2024. The change was mainly attributable to the fact that the Group (1) proactively pursued the brand revitalization initiative, launching the new “Heart Gravity Live+” enhancement campaign. By continuously improving the service quality and enhancing customer satisfaction, we increased the overall retention rate of projects under management; and (2) focused on operational efficiency improvement, reviewed and analysed all projects under management on a systematic basis. Combining industry benchmarking research and comprehensive project evaluation, it precisely optimised the adjustment strategies based on the development potential and operational contribution of each project, thereby fully boosting the vitality of project operations and development.

The following table sets forth the Group's terminated GFA under management and terminated contracted GFA which were categorised by property type for the years ended 31 December 2025 and 31 December 2024, respectively:

	For the year ended 31 December				Change in area (%)	Change in percentage (percentage point)
	2025		2024			
	Area (sq.m. in million)	Percentage (%)	Area (sq.m. in million)	Percentage (%)		
Terminated GFA under management	30.9	100%	60.9	100%	-49.3%	N/A
Among which:						
Residential properties	8.6	27.8%	15.4	25.3%	-44.2%	increase by 2.5 percentage points
Non-residential properties	22.3	72.2%	45.5	74.7%	-51.0%	decrease by 2.5 percentage points
Terminated contracted GFA	37.2	100%	62.2	100%	-40.2%	N/A
Among which:						
Residential properties	10.6	28.5%	15.8	25.4%	-32.9%	increase by 3.1 percentage points
Non-residential properties	26.6	71.5%	46.4	74.6%	-42.7%	decrease by 3.1 percentage points

- **High quality projects from third-party bidding expansion**

As of 31 December 2025, the Group's newly-added annualised contract amount from third-party bidding expansion for property management services, sales offices services, catering services, city services, and other business segments totalled RMB1,973.9 million, representing a year-on-year increase of 33.1% as compared to RMB1,482.7 million for the same period of 2024. The primary drivers of expansion growth were the fact that (1) the Group closely aligned with the industry trend and its core competence, formulated and implemented effective market expansion strategies which involved defining expansion directions, key regions and business layout, while adhering to market-oriented, brand-driven and large-scale development principles; and (2) the market expansion team efficiently implemented the Group's development strategy, proactively seized market opportunities, actively pursued high-quality projects, and continuously enhanced market development capabilities and project acquisition efficiency, achieving significant results in market expansion through effective execution.

The newly-added GFA under management was 30.5 million sq.m., representing a year-on-year increase of 41.9% as compared to 21.5 million sq.m. for the same period of 2024; the newly-added contracted GFA was 54.8 million sq.m., representing a year-on-year increase of 27.1% as compared to 43.1 million sq.m. for the same period of 2024. Among which, the contracted GFA of the newly-added non-residential properties from third-party bidding expansion was 35.6 million sq.m., representing a year-on-year increase of 44.7% as compared to 24.6 million sq.m. for the same period of 2024, accounting for 65.0%, representing a year-on-year increase of 7.9 percentage points as compared to 57.1% for the same period of 2024. The increase in expansion area was mainly attributable to (1) the Group's proactive efforts on expanding its diversified customer base and relentlessly intensifying development in various high-quality property projects. Through a multi-type, multi-field and multi-channel business strategy, it effectively expanded its management scale and drove steady growth in expansion area; and (2) the fact that the professional competence and overall competitiveness of the Group's market expansion team continued to strengthen. In particular, its competitive edge was notable in the non-residential property sector, which led to a rapid rise in both the number and scale of successful bids of new non-residential property projects and became the key driver behind the increase in expansion area.

The following table sets forth the Group's newly-added annualised contract amount from third-party bidding expansion of various businesses which were categorised by property type for the years ended 31 December 2025 and 31 December 2024, respectively:

	For the year ended 31 December				Change in amount (%)	Change in percentage (percentage point)
	2025		2024			
	Contract amount (RMB in million)	Percentage (%)	Contract amount (RMB in million)	Percentage (%)		
Newly-added annualised contract amount	1,973.9	100%	1,482.7	100%	33.1%	N/A
Among which:						
Residential properties	477.0	24.2%	425.5	28.7%	12.1%	decrease by 4.5 percentage points
Non-residential properties	1,097.8	55.6%	733.0	49.4%	49.8%	increase by 6.2 percentage points
Others	399.1	20.2%	324.2	21.9%	23.1%	decrease by 1.7 percentage points

The following table sets forth the Group’s newly-added GFA under management and newly-added contracted GFA from third-party bidding expansion which were categorised by property type for the years ended 31 December 2025 and 31 December 2024, respectively:

	For the year ended 31 December				Change in area (%)	Change in percentage (percentage point)
	2025		2024			
	Area (sq.m. in million)	Percentage (%)	Area (sq.m. in million)	Percentage (%)		
Newly-added GFA under management	30.5	100%	21.5	100%	41.9%	N/A
Among which:						
Residential properties	10.3	33.8%	6.0	27.9%	71.7%	increase by 5.9 percentage points
Non-residential properties	20.2	66.2%	15.5	72.1%	30.3%	decrease by 5.9 percentage points
Newly-added contracted GFA	54.8	100%	43.1	100%	27.1%	N/A
Among which:						
Residential properties	19.2	35.0%	18.5	42.9%	3.8%	decrease by 7.9 percentage points
Non-residential properties	35.6	65.0%	24.6	57.1%	44.7%	increase by 7.9 percentage points

➤ Community Value-Added Services

● Representing 16.8% of total revenue and 16.1% of total gross profit

As of 31 December 2025, the Group’s revenue from community value-added services amounted to RMB1,322.8 million, representing a year-on-year increase of 9.5% as compared to RMB1,207.7 million for the same period of 2024; gross profit was RMB225.7 million, representing a year-on-year decrease of 20.6% as compared to RMB284.3 million for the same period of 2024; and gross profit margin was 17.1%, representing a year-on-year decrease of 6.4 percentage points as compared to 23.5% for the same period of 2024.

The increase in revenue was mainly attributable to the fact that the Group (1) optimised and adjusted its overall development strategy for the community value-added services, developed a brand new retail business, comprehensively iterated community asset management business and fully upgraded carpark agency business; (2) focused on essential daily lives of residents and created a convenient and efficient “15-minute living circle”; and (3) provided customers with more caring and more attentive services, which comprehensively enhanced the operational capability and expanded the revenue growth while meeting property owners’ needs.

In the future, the Group will (1) continue to focus on the comprehensive upgrade of its operational capabilities and deepen its presence in the community value-added services sector with strategic focus; (2) continuously enhance and strengthen the operational management capabilities of various community value-added services through systematic development, professional empowerment and standardised management, thereby solidifying the foundation for business growth; and (3) focus on improving quality and efficiency as its core objective by optimising business processes, strengthening cost control, and enhancing service quality and customer satisfaction, so as to effectively improve the overall operational performance of its community value-added services and promote high-quality, robust and sustainable development.

The following table sets forth the Group's revenue from community value-added services by category for the years ended 31 December 2025 and 31 December 2024, respectively:

	For the years ended 31 December				Change in revenue (%)	Change in percentage (percentage point)
	2025		2024			
	Revenue (RMB million)	Percentage (%)	Revenue (RMB million)	Percentage (%)		
Community asset management services	272.4	20.6%	243.1	20.1%	12.1%	increase by 0.5 percentage point
Smart scenario solutions	8.4	0.6%	81.9	6.8%	-89.7%	decrease by 6.2 percentage points
Carpark asset operation services	402.4	30.4%	264.6	21.9%	52.1%	increase by 8.5 percentage points
Home decoration services	13.5	1.0%	57.9	4.8%	-76.7%	decrease by 3.8 percentage points
New retail services	97.2	7.4%	11.8	1.0%	723.7%	increase by 6.4 percentage points
Campus value-added services	313.2	23.7%	361.1	29.9%	-13.3%	decrease by 6.2 percentage points
Elderly care services	215.7	16.3%	187.3	15.5%	15.2%	increase by 0.8 percentage point
Total of community value-added services	1,322.8	100%	1,207.7	100%	9.5%	N/A

- **Community asset management services**

In 2025, revenue from community asset management services was RMB272.4 million, representing a year-on-year increase of 12.1% as compared to RMB243.1 million for the same period of 2024. The increase in revenue was primarily benefitted from (1) the Group's ongoing enhancement of its community asset management system, which comprehensively improved the overall operational efficiency of community assets, while continuously strengthening the operational management capabilities and market execution of its frontline teams, thereby consolidating the foundation for business development; (2) the deep exploration of existing high-quality resources and the proactive revitalisation of existing assets, further increasing their comprehensive returns through refined operations and value enhancement; and (3) the vigorous expansion of neighbourhood leasing and sale-related businesses, which consistently broadened both service coverage and scale, thereby driving simultaneous and steady growth in business scale and operating income.

- **Smart scenario solutions**

In 2025, revenue from smart scenario solutions was RMB8.4 million, representing a year-on-year decrease of 89.7% as compared to RMB81.9 million for the same period of 2024. The decrease in revenue was mainly due to (1) the changes in domestic economic conditions; and (2) the fact that customers became more prudent in spending.

- **Carpark asset operation services**

In 2025, revenue from carpark asset operation services was RMB402.4 million, representing a year-on-year increase of 52.1% as compared to RMB264.6 million for the same period of 2024. The increase in revenue was mainly due to (1) the Group's continuous focus on extending its presence in the carpark operation services sector, with comprehensive enhancements of both the professional capabilities and market expansion competence of its carpark sales agency business; and (2) the effective expansion of the carpark sales agency business through optimised business processes, improved service quality, and precise alignment with customer needs, thereby driving steady business growth and revenue increase in carpark sales agency business.

- **Home decoration services**

In 2025, revenue from home decoration services was RMB13.5 million, representing a year-on-year decrease of 76.7% as compared to RMB57.9 million for the same period of 2024. The decrease in revenue was mainly due to (1) the ongoing profound adjustment of the domestic real estate industry; and (2) the fact that the property owners became more prudent in spending, resulting in a contraction in home decoration business scale.

- **New retail services**

In 2025, revenue from new retail services was RMB97.2 million, representing a year-on-year increase of 723.7% as compared to RMB11.8 million for the same period of 2024. The rapid increase in revenue was mainly due to the fact that (1) the Group innovatively developed a new retail business by deepening its presence in essential daily life scenarios of property owners and precisely matching the high-frequency consumption needs of the community residents; and (2) the Group's new retail team possessed professional and efficient capabilities of product selection and operation, with its products well received by the property owners, hence increasing customer repurchase rates and driving revenue growth.

- **Campus value-added services**

In 2025, revenue from campus value-added services was RMB313.2 million, representing a year-on-year decrease of 13.3% as compared to RMB361.1 million for the same period of 2024. The decrease in revenue was mainly due to the pressure on domestic economic development, and as a result, some public institutions downsized their service demand, which affected revenue.

- **Elderly care services**

In 2025, revenue from elderly care services was RMB215.7 million, representing a year-on-year increase of 15.2% as compared to RMB187.3 million for the same period of 2024. The increase in revenue was mainly due to the fact that (1) Shanghai Chunqiji Elderly Care Services Co., Ltd. (上海椿祺集养老服务有限公司) (“Healthtop”) actively deepened its cooperation with Shimao Services, fully leveraging the resources and platform advantages of both parties to jointly explore market opportunities and continuously identify new growth drivers; (2) Healthtop and Shimao Services shared customer resources and established an efficient and synergistic business operation model; and (3) the Group further enhanced its service quality and professional standards, which improved the customer experience and market recognition, thereby driving revenue growth.

➤ **Value-Added Services to Non-Property Owners**

- **Representing 2.5% of total revenue and 2.1% of total gross profit**

As of 31 December 2025, the Group's revenue from value-added services to non-property owners amounted to RMB199.1 million, representing a year-on-year increase of 13.1% as compared to RMB176.0 million for the same period of 2024. The increase in revenue was mainly due to the intensified expansion of the sales offices services business carried out by the Group's market expansion team, with the value of new contracts reaching a historic high, effectively driving revenue growth.

➤ City Services

- **Representing 6.9% of total revenue and 4.7% of total gross profit**

As of 31 December 2025, the Group's revenue from city services amounted to RMB541.6 million, representing a year-on-year decrease of 42.8% as compared to RMB947.5 million for the same period of 2024. The decrease in revenue was mainly due to the decrease in consolidated revenue following the Group's disposal of the 60% of the equity interests in Wuxi Jinshatian Technology Co., Ltd. ("Jinshatian") in September 2024. For details of the disposal of Jinshatian, please refer to the announcements of the Company dated 24 September 2024 and 8 November 2024.

Excluding the impact of the disposal of Jinshatian, revenue from city services increased by 137.2% as compared to the same period last year. The increase in revenue was due to the fact that the Group (1) intensified market development efforts in the city services business through its market expansion team. It actively cultivated key regions and high-quality projects, taking the newly-added contract amount to a historic high; and (2) leveraged the pipeline of high-quality projects and business scale expansion, effectively driving steady growth in total revenue.

Share Award Scheme

A Share Award Scheme of the Company (the "Share Award Scheme") was adopted by the board of directors of the Company (the "Board") on 28 June 2021 (the "Adoption Date"). The purpose of the Share Award Scheme is to recognise the contributions by certain selected employees of the Group and to provide them with incentives so as to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Share Award Scheme shall be valid and effective for a term of ten years commencing from the Adoption Date. The maximum number of shares which can be awarded under the Share Award Scheme is 3% of the total number of issued shares of the Company as at the Adoption Date (i.e. 70,919,190 shares). During the twelve months ended 31 December 2025, no award share was granted by the Company under the Share Award Scheme. Further details of the Share Award Scheme will be set out in the Company's 2025 Annual Report in due course.

Employees and Compensation Policy

As at 31 December 2025, the Group had a total of 36,227 employees, representing a year-on-year increase of 1.7% as compared to 35,633 employees for the same period of 2024. Total staff costs amounted to RMB2,989.5 million, representing a year-on-year decrease of 12.3% as compared to RMB3,408.3 million for the same period of 2024. The decrease in staff costs was mainly due to the fact that the Group (1) completed the disposal of related subsidiaries such as Jinshatian, which optimised the overall business structure and personnel deployment of the Group; (2) rationalised the resource allocation structure through strict control over headcount, strengthening internal human resources coordination and efficient deployment, and active promotion of one person for multiple roles across different positions and scenarios; (3) flexibly adopted the optimal market-oriented employment model conducive to service assurance based on business characteristics, so as to optimise the labour cost structure and achieve efficient allocation of human resources; and (4) continuously focused on the enhancement of operational and management capabilities, deeply explored the potential for cost reductions and efficiency enhancement within the Group, and constantly optimised operational processes to significantly enhance the efficiency of internal operations.

The salary paid to the employees by the Group was determined according to their duties, market levels as well as performance and contribution, and bonuses were also paid to employees based on their work performance. In addition, the Group offered its employees a variety of training and personal development schemes together with employee benefits, including pension fund, medical insurance and provident fund, etc.

Proceeds from the Listing

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 October 2020. Excluding underwriting fees and related expenses, the net proceeds from the listing amounted to HK\$5,917.4 million (equivalent to approximately RMB5,126 million). Details of the actual or intended use of proceeds from the listing are as follows:

Intended use of net proceeds	Proceeds available for utilisation <i>(RMB million)</i>	Allocation percentage <i>%</i>	Utilised	Unutilised	Expected timeline for utilising the remaining unutilised amount <i>Expected timeline</i>
			amount as of 31 December 2025 <i>(RMB million)</i>	amount as of 31 December 2025 <i>(RMB million)</i>	
(1) To continue to expand business scale through multiple channels	3,332	65%	3,332	–	2026
(2) To diversify people-oriented and property-oriented value-added service offerings	769	15%	303	466	2026
(3) To improve the information technology system and smart technologies	256	5%	256	–	2026
(4) To attract and nurture talent	256	5%	74	182	2026
(5) For working capital and other general corporate purposes	513	10%	213	300	2026
Total	5,126	100%	4,178	948	

The proceeds set out above have not been utilised, mainly because the Group did not successfully acquire previous potential target projects. The Group will continue to explore high-quality acquisition and investment opportunities, and the management will also continue to take both prudent and proactive approach into consideration for rational and efficient use of the proceeds, with a view to promoting the healthy development of business and safeguarding the long-term benefit of shareholders.

Equity Fund Raising Activities and Use of Proceeds

Placing of Existing Shares and Top-up Subscription of New Shares under the General Mandate (the “Top-Up Placing”)

On 19 October 2021, the Company entered into a placing and subscription agreement (the “2021 Placing and Subscription Agreement”) with Morgan Stanley & Co. International plc (the “Placing Agent”), Shimao Group Holdings and the vendor, Best Cosmos Limited (“Best Cosmos”), pursuant to which the Placing Agent conditionally agreed to place to not less than six independent professional, institutional and/or individual investors, on a fully underwritten basis, 115,000,000 existing ordinary shares of the Company at the placing price of HK\$15.18 per share, and Best Cosmos conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to Best Cosmos new ordinary shares, which were the same number as the placing shares that have been placed by the Placing Agent, at the placing price. The subscription shares have a nominal value of HK\$1.15 million and a market value of HK\$1,934.3 million, based on the closing price of HK\$16.82 per share as quoted on the Stock Exchange on the last full trading day immediately before the time at which the 2021 Placing and Subscription Agreement was signed. The net price per subscription share is HK\$15.09. The completion of placing of existing shares took place on 22 October 2021, and the Company allotted and issued 115,000,000 ordinary shares to Best Cosmos on 2 November 2021 under the general mandate granted to the Directors pursuant to an ordinary resolution passed at the 2021 annual general meeting of the Company (the “General Mandate”).

The net proceeds received by the Company after deducting related fees and expenses were approximately HK\$1,735 million. The Company intends to apply such net proceeds for potential M&A, business expansion, general working capital and general corporate uses. The Directors consider that the placing and subscription represent an opportunity to raise capital for the Company while broadening its shareholders and capital base, and it would strengthen the financial position of the Group and provide working capital to the Group. For further details, please refer to the announcements of the Company dated 20 October 2021 and 2 November 2021.

Details of the intended and actual use of the aggregate net proceeds of approximately HK\$1,735 million (equivalent to approximately RMB1,426 million) from the above equity fund raising activities are as follows:

Intended use of net proceeds	Net proceeds from Top-Up Placing available for utilisation <i>(RMB million)</i>	Allocation percentage %	Utilised net proceeds as of 31 December 2025 <i>(RMB million)</i>	Unutilised net proceeds as of 31 December 2025 <i>(RMB million)</i>	Expected timeline for utilising the remaining unutilised net proceeds
(1) Potential M&A	1,140	80%	1,140	–	2026
(2) Business expansion	143	10%	–	143	2026
(3) General working capital and general corporate uses	143	10%	143	–	2026
Total	1,426	100%	1,283	143	

The core reason for the net proceeds set out above remaining unutilised was the fact that the potential project acquisitions have yet to be completed. The Group will continue to identify high-quality M&A targets and the management will adhere to a prudent and proactive philosophy to ensure reasonable capital deployment, thereby safeguarding steady business growth and fostering shareholders' value in the long term.

Events during the Year

Acquisition of the Remaining Equity Interests in a Subsidiary

On 3 January 2025, Shimao Tiancheng Property Services Group Co., Ltd. and Shanghai Xumaorui Enterprise Management Co., Ltd. (“Shanghai Xumaorui”, as the purchaser), both indirect wholly-owned subsidiaries of the Company, entered into an equity transfer agreement and a settlement agreement with Shenzhen Jiaxiong Investment Development Co., Ltd. (the “Vendor”) and original shareholders, under which the Vendor agreed to sell and Shanghai Xumaorui agreed to purchase 33% of the equity interests in Shenzhen Shi Lu Yuan Environmental Co., Ltd. (the “Target Company”) at the consideration of RMB83,159,000. The consideration will be utilised to partially settle the net contingent consideration receivables amounted to RMB138,703,000 (the “Acquisition”). For further details, please refer to the announcement of the Company dated 3 January 2025.

The Target Company is principally engaged in the provision of urban and rural environmental sanitation integrated services in the People’s Republic of China (the “PRC”). Prior to the completion of the Acquisition, it was a 67% held non-wholly owned subsidiary of the Group. During the reporting period, the Acquisition and the settlement were completed in January 2025, and the Target Company is now an indirect wholly-owned subsidiary of the Company.

Formation of the Partnership – Nanjing Maoxing Project Management Partnership (Limited Partnership) (南京茂星項目管理合夥企業(有限合夥)) (“Nanjing Maoxing”)

On 19 June 2025, Shanghai Shimao Tianjing Property Services Co., Ltd. (上海世茂天境物業服務有限公司) (“Shanghai Shimao Tianjing”) (as a limited partner), an indirect wholly-owned subsidiary of the Company, entered into a partnership agreement with Wuxi Xinghe Investment Consultation Partnership (Limited Partnership) (無錫星河投資諮詢合夥企業(有限合夥)) (“Wuxi Xinghe”) (as the general partner) under which the two parties agreed to establish the partnership to invest and operate a cold chain logistics project in the Huludao area, Liaoning Province in the PRC.

Pursuant to the terms of the partnership agreement, the total capital contribution amount to be paid by all partners of the partnership shall be RMB240,000,000, of which RMB237,600,000 shall be contributed by Shanghai Shimao Tianjing and RMB2,400,000 shall be contributed by Wuxi Xinghe. For further details, please refer to the announcement of the Company dated 19 June 2025. In July 2025, Shanghai Shimao Tianjing and Wuxi Xinghe jointly completed capital contribution and established the partnership, namely, Nanjing Maoxing.

Continuing Connected Transactions – Entering into Multiple New Services Master Agreements with Shimao Group Holdings

Considering the several services master agreements entered into between the Company and Shimao Group Holdings on 6 December 2022 were due to expire on 31 December 2025, and in light of the continuation of business operations between the Company and Shimao Group Holdings, on 5 November 2025, the Company and Shimao Group Holdings entered into the new (1) leasing master agreement; (2) carpark sales agency services master agreement; (3) sales office operation master agreement; (4) IoT services master agreement; (5) engineering services master agreement; (6) property management services master agreement; and (7) value-added services to non-property owners master agreement (collectively, the “2025 CCT Master Agreements”) for a term commencing from 1 January 2026 to 31 December 2028. For details of the above continuing connected transactions and the respective annual caps under each of the 2025 CCT Master Agreements, please refer to the announcement of the Company dated 5 November 2025.

Formation of the Partnership – Liaoning Qisheng Project Management Consultancy Partnership (Limited Partnership) (遼寧省琪晟項目管理諮詢合夥企業(有限合夥)) (“Liaoning Qisheng”)

On 22 December 2025, Shanghai Shimao Tianjing Property Services Co., Ltd. (“Shanghai Shimao Tianjing”) (as a limited partner), an indirect wholly-owned subsidiary of the Company, entered into a partnership agreement with Huludao Yongsheng Project Management Consultancy Company Limited (葫蘆島永晟項目管理諮詢有限責任公司) (“Huludao Yongsheng”) (as the general partner) under which the two parties agreed to establish the partnership to invest and operate a sewage treatment project in Xingcheng City, Huludao, Liaoning Province, in the PRC.

Pursuant to the terms of the partnership agreement, the total capital contribution amount to be paid by all partners of the partnership shall be RMB283,000,000, of which RMB280,170,000 shall be contributed by Shanghai Shimao Tianjing and RMB2,830,000 shall be contributed by Huludao Yongsheng. Shanghai Shimao Tianjing and Huludao Yongsheng jointly established the partnership, namely, Liaoning Qisheng in December 2025. For further details, please refer to the announcements of the Company dated 22 December 2025 and 5 February 2026.

Acquisitions and Future Outlook

Acquisitions

When making acquisitions, the Group focuses on the alignment between the target company and the Group's development strategy, while it also takes into account the development needs, including scale growth, the deployment of new business lines and the new building capabilities. For potential acquisition targets, the Group will comprehensively assess the following core factors: (1) being within the Group's existing management radius; (2) being a leading company in the region or sub-sector; (3) not touching red-line issues, such as safety issues, etc.; (4) being able to accept the Group's integration requirements; and (5) having a customer base that is from local middle-income and high-income classes. Through rigorous screening based on the above criteria, the Group can ensure the effective management and empowerment of the target company after the completion of the M&A, thereby achieving long-term and sound development.

In 2025, as the real estate industry was still undergoing adjustment and the market was relatively sluggish, the Group did not complete any acquisition projects during the year. Looking ahead, the Group will continue to remain prudent and actively seek out suitable acquisition opportunities in the market. In view of the prevailing industry situation, the Group will further strengthen its pre-acquisition due diligence by comprehensively assessing a target company's overall performance in market position, business model, financial conditions and service quality, with particular attention to their risk resilience and long-term development potential in a complex market environment. At the same time, the Group will fully leverage its own strategic layout and integration capabilities, so as to ensure the acquisitions not only can facilitate the expansion of its scale, but also deeply integrate into the Group's existing business structure, thereby realising synergistic value and continuously enhancing its overall competitiveness within the industry.

Future Outlook

As AI and big data technology are expeditiously applied, the property management services sector is undergoing profound transformation. Algorithm-driven process automation, intelligent equipment inspections, and the automatic routing of orders are effectively reducing operational costs and improving service efficiency. Through analysis and application of big data, service provision is shifting from a standardized model towards a personalised and precise one, which significantly increases customer satisfaction and the sense of belonging amongst users. The sector is accelerating its transition from labour-intensive to technology-intensive, taking major leaps in service quality while optimising the labour cost structure, thereby building up new core competition barriers.

While actively embracing technological transformation, Shimao Services has incorporated "return to the essence of service" into its core strategy. By refining its service quality through a multi-dimensional approach and leveraging its brand reputation to drive stable growth in scale, the Company is well-positioned to capitalise on its natural advantages in proximity to communities and offices, and rapidly rolls out emerging value-added services, such as elderly care services in communities and pet care. Through such strategy, property management services are upgrading from the traditional model towards a diversified revenue model, ushering in a new phase of high-quality and sustainable development.

FINANCIAL REVIEW

During the year, the Group realised:

Revenue

Revenue was RMB7,880.0 million, which remained stable as compared to RMB7,895.5 million for the same period of 2024. The Group generated revenue from four business segments: (1) property management services; (2) community value-added services; (3) value-added services to non-property owners; and (4) city services. During the year, (1) property management services remained the largest contributor of revenue and profit to the Group, with revenue amounted to RMB5,816.5 million, accounting for 73.8% of the total revenue and representing a year-on-year increase of 4.5% as compared to RMB5,564.3 million for the same period of 2024; (2) revenue from community value-added services amounted to RMB1,322.8 million, accounting for 16.8% of the total revenue and representing a year-on-year increase of 9.5% as compared to RMB1,207.7 million for the same period of 2024; (3) revenue from value-added services to non-property owners amounted to RMB199.1 million, accounting for 2.5% of the total revenue and representing a year-on-year increase of 13.1% as compared to RMB176.0 million for the same period of 2024; and (4) revenue from city services amounted to RMB541.6 million, accounting for 6.9% of the total revenue and representing a year-on-year decrease of 42.8% as compared to RMB947.5 million for the same period of 2024.

Cost of Sales and Services

Cost of sales and services of the Group primarily included staff costs, subcontracting costs, utilities and facility operating costs, cost of smart scenario solutions and others. During the year, cost of sales and services was RMB6,479.9 million, representing a year-on-year increase of 2.3% as compared to RMB6,331.3 million for the same period of 2024. The increase in costs was mainly attributable to (1) a year-on-year increase in revenue from selling carpark spaces during the reporting period, with a corresponding increase in the cost of selling carpark spaces; (2) increased investment in cleaning and greening for service quality improvement; and (3) investment in the maintenance and renewal costs of project facilities and equipment.

Gross Profit and Gross Profit Margin

Gross profit amounted to RMB1,400.1 million, representing a year-on-year decrease of 10.5% as compared to RMB1,564.3 million in 2024. Gross profit margin was 17.8%, representing a year-on-year decrease of 2 percentage points as compared to 19.8% for the same period of 2024. Gross profit margins for the Group's four business segments were: 18.6% for property management services, 17.1% for community value-added services, 14.6% for value-added services to non-property owners and 12.2% for city services, respectively. Gross profit margins for those segments were 20.1%, 23.5%, 17.1% and 13.6% in 2024, respectively.

Gross profit margin for property management services was 18.6%, representing a year-on-year decrease of 1.5 percentage points as compared to 20.1% in 2024. It was mainly due to (1) increased investment in cleaning and greening for service quality improvement; (2) investment in the maintenance and renewal costs of project facilities and equipment; and (3) lower service unit price for newly developed projects under market influences.

Gross profit margin for community value-added services was 17.1%, representing a decrease of 6.4 percentage points as compared to 23.5% in 2024. It was mainly due to the impact of changes in the real estate industry and the economic conditions, which led to a decline in gross profit for the segment businesses, such as the carpark asset operation services and the community asset management services.

Gross profit margin for value-added services to non-property owners was 14.6%, representing a decrease of 2.5 percentage points as compared to 17.1% in 2024. It was mainly due to the reduction in the unit price of purchases by customers amid the prolonged downturn in the real estate industry, as well as the increase in labour and other costs, weighing on revenue and profit margin.

Gross profit margin for city services was 12.2%, representing a decrease of 1.4 percentage points as compared to 13.6% in 2024. It was mainly due to (1) lower unit price of purchases resulting from the reduction of relevant government budgets; and (2) increase in the costs of energy, labour, raw materials and consumables.

Selling and Marketing Expenses

Selling and marketing expenses were RMB109.5 million, representing a year-on-year decrease of 5.8% as compared to RMB116.3 million in 2024, and accounting for 1.4% of the total revenue, which remained stable as compared to 1.5% in 2024.

Administrative Expenses

Administrative expenses for the year were RMB699.3 million, representing a year-on-year decrease of 15.5% as compared to RMB827.5 million in 2024, and accounting for 8.9% of the total revenue, representing a decrease of 1.6 percentage points as compared to 10.5% in 2024, which was mainly due to (1) the improvement in efficiency of the management of the Group's organisational structure, resulting in lower labour costs; (2) a decrease in amortisation of customer relationships arising from the valuation of the appreciation as a result of the disposal of acquired subsidiaries by the Group; and (3) effective control of all management expenditures through measures such as cost management and budget constraints.

Impairment Losses on Financial Assets – Net

During the year, the Group's impairment losses on financial assets – net was RMB399.6 million, representing an increase of RMB256.7 million as compared to RMB142.9 million in 2024. This was primarily due to fluctuations in the collection rate of management fees for some projects, which lengthened the ageing structure of accounts receivable and led to a corresponding increase in bad debt losses on accounts receivable accrued according to the expected credit loss model.

Impairment Losses on Intangible Assets

During the year, the Group's impairment losses on goodwill – net was RMB65.0 million, representing an increase of RMB19.4 million as compared to RMB45.6 million in 2024. Considering the impact of the market and economic environment, the Group, based on prudence principle, still provided for certain impairment on goodwill of the acquired companies with lower-than-expected operating performance.

Operating Profit/(Loss)

During the year, operating profit was RMB161.5 million, representing a dramatic increase as compared to operating loss of RMB157.7 million in 2024. It was mainly due to (1) the absence of loss on disposal of a significant subsidiary during the reporting period; and (2) reduced sales and administrative expenses with enhanced operational and management efficiency.

Finance Income – Net

During the year, finance income – net was RMB21.9 million, representing a dramatic increase as compared to finance income – net of RMB0.6 million in 2024. It was mainly due to a decrease in borrowings during the reporting period, resulting in less finance costs.

Profit/(Loss) before Income Tax

During the year, profit before income tax amounted to RMB185.2 million, representing a dramatic increase as compared to loss before income tax of RMB147.7 million in 2024. It was mainly due to (1) the absence of any loss on disposal of a significant subsidiary by the Group during the reporting period; and (2) the improvement in efficiency of the management of the Group's organisational structure, resulting in lower labour costs and management expenses.

Income Tax Expense

During the year, income tax expense amounted to RMB50.6 million, which represented a dramatic decrease as compared to income tax expense of RMB75.2 million for 2024. It was primarily due to (1) a decline in pre-tax profit caused by the decline in operating profits of some acquired subsidiaries such as Zheda Sinew and Hunan Jili during the reporting period; and (2) the reversal of deferred income tax liabilities arising from performance-based compensation payments settled by acquired subsidiaries during the reporting period.

Tibet Shimao Tian Cheng Property (formerly Hailiang Property), headquartered in Tibet, enjoyed tax benefits; while Chengdu Xinyi, Xi'an Fangrui and the newly established "second headquarters" enjoyed the preferential tax policy for "Western Region Development".

Pursuant to the rules and regulations of the Cayman Islands, the Group is not required to pay income tax of the Cayman Islands.

The income tax rate applicable to the Group's entities incorporated in Hong Kong was 16.5% on the income subject to Hong Kong profits tax for the year. No provision was made for Hong Kong profits tax over the 12 months from 1 January 2025 to 31 December 2025, as the Group did not derive any income subject to Hong Kong profits tax.

Unless otherwise specified, the Group's subsidiaries in China shall pay PRC corporate income tax at a rate of 25%.

Profit/(Loss) for the Year

Profit for the year amounted to RMB134.6 million, representing a dramatic increase as compared with loss of RMB223.0 million in 2024. Profit attributable to equity holders of the Company was RMB103.3 million, while loss attributable to equity holders of the Company was RMB272.4 million for the same period of 2024.

Core Net Profit (Non-HKFRS Measure)

To supplement the consolidated financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS"), the Company has also adopted core net profit (a non-HKFRS measure) as an additional financial measure, which is not required or presented under HKFRS, and believed that by excluding the potential impact of certain items irrelevant to the Company's daily business operations and management, the presentation of core net profit (a non-HKFRS measure) provides investors and management with useful information regarding the consolidated results of the Group's core business for each period. Core net profit (a non-HKFRS measure) is defined as net profit attributable to equity holders of the Company, adjusted by deducting the provisions for bad debts attributable to the parent, share-based compensation income, amortisation of intangible assets – customer relationships, loss on disposal of subsidiaries, impairment losses on goodwill and customer relationships, inventory impairment, amortisation of unrecognised financing charges from discount on acquisition consideration, performance-based compensation income and the impact of related deferred tax.

During the period, core net profit attributable to equity holders of the Company (a non-HKFRS measure, adjusted by deducting (i) the provisions for bad debts attributable to the parent of RMB378.0 million; (ii) share-based compensation income of RMB0.3 million; (iii) amortisation of intangible assets from M&A – customer relationships of RMB100.6 million; (iv) loss on disposal of subsidiaries of RMB0.3 million; (v) impairment losses on goodwill and customer relationships of RMB65.0 million; (vi) inventory impairment of RMB1.2 million; (vii) amortisation of unrecognised financing charges from discount on acquisition consideration of RMB13.3 million; (viii) performance-based compensation income of RMB28.6 million; and (ix) the impact of related deferred tax of RMB108.3 million) was RMB524.3 million, representing a year-on-year increase of 6.5% as compared to RMB492.4 million for the year of 2024.

Investment Properties, Property, Plant and Equipment

As at 31 December 2025, net book value of investment properties, property, plant and equipment amounted to RMB487.6 million, representing a year-on-year increase of 37.0% as compared to RMB355.9 million as at 31 December 2024, which was mainly due to the investment in new intelligent equipment for projects during the period to enhance the quality of the projects and property owners' satisfaction.

Intangible Assets

As at 31 December 2025, the carrying amount of the Group's intangible assets was RMB2,153.9 million, representing an increase of 2.5% as compared to RMB2,101.2 million as at 31 December 2024. The Group's intangible assets primarily included (1) goodwill of RMB1,242.8 million recognised for the acquired companies; (2) customer relationships of RMB370.0 million recognised for the acquired companies; and (3) software developed and procured by the Group of RMB541.1 million. Customer relationships and software have definite useful lives and are accounted for at cost less accumulated amortisation.

As at 31 December 2025, the Group's goodwill amounted to RMB1,242.8 million, representing a decrease of 5.0% as compared to RMB1,307.8 million as at 31 December 2024. The Group's goodwill was mainly derived from the expected future development of the acquired companies, the improvement of market coverage, the expansion of service portfolio, the development of value-added services and the enhancement of management efficiency.

As at 31 December 2025, the Group's management made a provision of impairment losses on goodwill amounting to RMB65.0 million for companies, including Zheda Sinew, Suzhou Tianxiang, Tianjin Rongwei and Hunan Jili.

Trade Receivables

As at 31 December 2025, trade receivables amounted to RMB3,911.8 million, representing an increase of 15.8% as compared to RMB3,378.3 million in 2024, mainly due to the slowdown in the collection of payment from customers amid the macroeconomic environment, resulting in an increase in the balance of receivables at the end of the period. As at the date of this announcement, subsequent recovery of receivables accounted for approximately 11.4% of the closing balance.

In respect of long aged trade receivables, the management of the Company has formulated specific plans for recovery based on the residential and non-residential businesses respectively.

The Group's recovery for the residential business was made mainly through the following measures: (1) classifying clients according to payment habits and implementing targeted recovery strategies; (2) implementing categorised management based on project collection rates, including (i) for premium projects with high collection rate, it allocated greater resources and assigned clear responsibilities to individuals with full support; (ii) for projects with relatively high vacancy rates, it proactively offered tailored value-added services to enhance the experience and recognition of property owners, thereby facilitating timely fee recovery; and (iii) for relevant guaranteed delivery projects of property developers, it strengthened communication and coordination with the developers to promptly address and resolve owners' concerns, thereby improving owners' satisfaction and willingness to pay; and (3) maintaining stability in key positions such as property managers and project leaders, improving internal resource coordination and team synergy efficiency, and ensuring effective implementation of all collection measures.

The recovery for the non-residential business was mainly focused on major customer projects and multi-owner projects, among which, (1) for major customer business, it captured the major concerns and prevented risk exposure by setting up an early-warning ledger in excess of RMB1 million in respect of major governmental and enterprise customers, and carrying out specific assessment and follow-up in line with the local financial policies to procure the signing of agreements on recovery; and (2) for multi-owner projects, it strengthened the foundation and implementation by establishing meticulous isolated set of files per each household, and enhancing inspections, supervision and review efforts of frontline collection to enhance on-site collection– efficiency through rigorous process control.

Trade Payables

As at 31 December 2025, trade payables amounted to RMB1,623.2 million, representing an increase of 14.9% as compared to RMB1,412.3 million for the same period of 2024, which was due to the phased increase in the scale of trade payables resulting from the Group's optimization of its supplier credit term management strategy to balance cash flow security and sustainable business development under the impact of changes in market liquidity and adjustments to the pace of cash collection.

Liquidity, Reserves and Capital Structure

The Group maintained a sound financial position during the year. Current assets amounted to RMB8,291.5 million as at 31 December 2025, representing a year-on-year decrease of 14.1% as compared to RMB9,648.9 million as at 31 December 2024. The Group's cash and cash equivalents amounted to RMB1,491.3 million, representing a year-on-year decrease of 31.1% as compared to RMB2,164.1 million as at 31 December 2024, which was mainly due to (1) increased investment in project quality enhancement; (2) the payment of the past equity transfer during the year; (3) investment in financial assets at fair value through profit or loss; and (4) investment in associates.

The Group's net current assets amounted to RMB3,450.1 million as at 31 December 2025, with a current ratio of 1.7, which still stood at a robust level as compared to the net current assets of RMB4,880.9 million as at 31 December 2024.

Capital Expenditure Commitments

As at 31 December 2025, there was no material capital commitment that the Group had contracted but not provided for.

Foreign Exchange Risk

The Group principally operates in the PRC, and the majority of its businesses are conducted in RMB with limited exposure to the foreign exchange risk. However, any depreciation or appreciation in HKD and adjustment in the interest rates will affect the performance of the Group. Therefore, the Group will closely monitor its exchange rate risk and interest rate risk exposure, actively explore foreign exchange hedging plans with major banks and use financial instruments to hedge against such risks when necessary.

Contingent Liabilities

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

Financial Policy

In order to manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that its assets, liabilities and other liquidity structure undertaken meet the capital requirements from time to time.

ANNUAL RESULTS

The board of directors of the Company (the “Board”) is pleased to present the consolidated annual results of the Group for the year ended 31 December 2025 together with comparative figures for 2024. These annual results have been reviewed by the Company’s Audit Committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		<i>RMB’000</i>	<i>RMB’000</i>
Revenue	5	7,880,037	7,895,536
Cost of sales and services	5	(6,479,925)	(6,331,253)
Gross profit		1,400,112	1,564,283
Selling and marketing expenses		(109,540)	(116,258)
Administrative expenses		(699,268)	(827,492)
Loss on disposal of subsidiaries		(266)	(589,143)
Impairment losses on financial assets – net	6	(399,553)	(142,878)
Impairment losses on intangible assets		(65,027)	(45,829)
Impairment losses on asset classified as held for sales		–	(2,306)
Provision for inventories		(1,184)	(31,818)
Other income	7	15,048	25,330
Other gains and losses – net		27,725	15,023
Other operating expenses		(6,516)	(6,626)
Operating profit/(loss)		161,531	(157,714)
Finance income		23,383	31,501
Finance costs		(1,477)	(30,879)
Finance income – net		21,906	622
Share of results of associates		1,755	9,348
Profit/(Loss) before income tax	6	185,192	(147,744)
Income tax expense	8	(50,551)	(75,214)
Profit/(Loss) for the year		134,641	(222,958)

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
Profit/(Loss) for the year		134,641	(222,958)
Other comprehensive expense for the year, net of tax			
<i>Item that will be reclassified subsequently to profit or loss</i>			
– Exchange differences on translation of foreign operations		<u>(2,378)</u>	<u>(6,613)</u>
Total comprehensive income/(expense) for the year		<u>132,263</u>	<u>(229,571)</u>
Profit/(Loss) for the year attributable to:			
– Equity holders of the Company		103,300	(272,363)
– Non-controlling interests		<u>31,341</u>	<u>49,405</u>
		<u>134,641</u>	<u>(222,958)</u>
Total comprehensive income/(expense) for the year attributable to:			
– Equity holders of the Company		100,922	(278,976)
– Non-controlling interests		<u>31,341</u>	<u>49,405</u>
		<u>132,263</u>	<u>(229,571)</u>
Earnings/(Loss) per share			
– Basic (<i>RMB</i>)	9	<u>0.04</u>	<u>(0.11)</u>
– Diluted (<i>RMB</i>)	9	<u>0.04</u>	<u>(0.11)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		471,191	338,593
Right-of-use assets		25,685	43,484
Investment properties		16,403	17,337
Intangible assets		2,153,934	2,101,162
Deferred tax assets		399,777	280,898
Investments in associates		590,442	502,204
Financial assets at fair value through profit or loss		583,417	5,619
Prepayments, deposits and other receivables		417,026	49,247
Total non-current assets		4,657,875	3,338,544
Current assets			
Financial assets at fair value through profit or loss		114,580	138,703
Inventories		27,312	174,346
Trade receivables	11	3,911,763	3,378,267
Prepayments, deposits and other receivables		1,145,452	2,119,426
Restricted bank balances		101,094	37,489
Time deposits with maturity over three months		1,500,000	1,600,129
Cash and cash equivalents		1,491,273	2,164,112
		8,291,474	9,612,472
Asset classified as held for sale		–	36,462
Total current assets		8,291,474	9,648,934
Current liabilities			
Trade payables	13	1,623,199	1,412,288
Deposits received, accruals and other payables		1,480,190	1,602,571
Contract liabilities		1,193,063	1,287,690
Income tax liabilities		532,380	416,177
Borrowings		4,495	–
Lease liabilities		8,024	20,138
		4,841,351	4,738,864
Liabilities directly associated with assets classified as held for sale		–	29,203
Total current liabilities		4,841,351	4,768,067
Net current assets		3,450,123	4,880,867
Total assets less current liabilities		8,107,998	8,219,411

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
Non-current liabilities			
Lease liabilities		16,768	23,628
Deferred tax liabilities		92,487	132,124
Provisions for other liabilities and charges		22,234	22,688
Deposits received, accruals and other payables		6,629	1,928
		<hr/>	<hr/>
Total non-current liabilities		138,118	180,368
		<hr/>	<hr/>
Net assets		7,969,880	8,039,043
		<hr/>	<hr/>
Equity			
Share capital	<i>12</i>	21,358	21,358
Reserves		7,726,060	7,637,394
		<hr/>	<hr/>
Equity attributable to equity holders of the Company		7,747,418	7,658,752
		<hr/>	<hr/>
Non-controlling interests		222,462	380,291
		<hr/>	<hr/>
Total equity		7,969,880	8,039,043
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Shimao Services Holdings Limited (the “Company”) was incorporated on 3 December 2019 under the laws of the Cayman Islands with limited liability. The address of the Company’s registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box. 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business is located at Unit 3820, 38th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong. The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 October 2020.

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

The Company’s immediate holding company is Best Cosmos Limited (“Best Cosmos”), a company incorporated in the British Virgin Island (the “BVI”) and intermediate holding company is Shimao Group Holdings Limited (“Shimao Group”) whose shares are listed on the Stock Exchange since 5 July 2006. In the opinion of the directors of the Company (the “Directors”), the Company’s ultimate holding company is Gemfair Investments Limited, a company incorporated in the BVI which is wholly owned by Mr. Hui Wing Mau (the “Ultimate Controlling Shareholder”).

2. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations (“HKFRS Accounting Standards”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 January 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 “Lack of Exchangeability” which are effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025.

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments do not have a material impact on the Group’s consolidated financial statements.

Issued but not yet effective HKFRS Accounting Standards

As at the date of this announcement, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause 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 not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statement items but will affect their presentation. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax”, and “discontinued operation”), depending on the reporting entity's main business activities, in the statement of profit or loss;
- disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The Directors are currently working to identify all the impacts of HKFRS 18, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows, and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as "Other".

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

The major changes introduced by the amendments to HKFRS 9 and HKFRS 7 are summarised as follows:

- clarification of the recognition and derecognition dates for certain financial assets and liabilities, with the introduction of a new exception for certain financial liabilities settled through an electronic cash transfer system;
- clarification of, and additional guidance on, the assessment of whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
- introduction of new disclosure requirements for certain financial instruments with contractual terms that may change cash flows (for example, instruments with features linked to the achievement of environment, social and governance targets); and
- updates to the disclosure requirements for equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are to be applied retrospectively, with an adjustment to opening retained earnings. The amendments relating to the classification of financial assets and the related disclosures may be early adopted, while the remaining amendments may be applied subsequently. The Directors expect that the amendments will not have a material impact on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

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

The CODM considers business from a product perspective and has identified the following two operating segments:

- Property management and related services, which include property management services, community value-added services and value-added services to non-property owners; and
- City services, which includes sanitation, cleaning and sewage and waste treatment business.

The CODM assesses the performance of the operating segments based on a measure of operating results, adjusted by excluding financial income, finance costs, other gains and losses – net, loss on disposal of subsidiaries, shares of results of associates and certain unallocated expenses.

All assets are allocated to operating segment assets other than deferred tax assets, investments in associates, certain financial assets at fair value through profit or loss, asset classified as held for sale and other corporate assets. All liabilities are allocated to operating segment liabilities other than deferred tax liabilities, income tax liabilities, liabilities directly associated with assets classified as held for sale and borrowings.

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

The principal operating entity of the Group is domiciled in the PRC. For the purpose of segment information disclosure under HKFRS 8, the Group regard the PRC as its place of domicile. The Group's revenue from external customers is classified based on the geographical locations of the customers and the details are disclosed above. Accordingly, all of the Group's revenue were derived in the PRC during the years ended 31 December 2025 and 2024.

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

The segment revenue and results are as follows:

	Property management services	City services	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2025			
Reportable segment revenue	7,338,385	541,652	7,880,037
Reportable segment results	159,860	(11,629)	148,231
Amounts included in the measure of segment results:			
Impairment losses on financial assets – net	(387,145)	(12,408)	(399,553)
Impairment losses on intangible assets	(65,027)	–	(65,027)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(140,125)	(18,638)	(158,763)
Amortisation of intangible assets	(152,608)	(1,217)	(153,825)
Year ended 31 December 2024			
Reportable segment revenue	6,948,070	947,466	7,895,536
Reportable segment results	375,590	50,131	425,721
Amounts included in the measure of segment results:			
Impairment losses on financial assets – net	(123,893)	(18,985)	(142,878)
Impairment losses on intangible assets	(45,829)	–	(45,829)
Impairment losses on assets classified as held for sales	(2,306)	–	(2,306)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(136,232)	(26,169)	(162,401)
Amortisation of intangible assets	(146,855)	(17,737)	(164,592)

A reconciliation of segment results to profit/(loss) before income tax is provided as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Segment results	148,231	425,721
Other gains and losses – net	27,725	15,023
Share of results of associates	1,755	9,348
Loss on disposal of subsidiaries	(266)	(589,143)
Finance costs	(1,477)	(30,879)
Finance income	23,383	31,501
Unallocated expenses	(14,159)	(9,315)
Profit/(Loss) before income tax	185,192	(147,744)

The segment assets and liabilities are as follows:

	Property management services <i>RMB'000</i>	City services <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2025			
Segment assets	10,183,770	271,619	10,455,389
Segment liabilities	4,216,262	133,845	4,350,107
As at 31 December 2024			
Segment assets	10,909,791	342,799	11,252,590
Segment liabilities	4,229,441	141,490	4,370,931

Reconciliation of segment assets to total assets and segment liabilities to total liabilities provided as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Segment assets	10,455,389	11,252,590
Deferred tax assets	399,777	280,898
Investments in associates	590,442	502,204
Unallocated financial assets at fair value through profit or loss	692,120	–
Other corporate assets	811,621	915,324
Asset classified as held for sale	–	36,462
Total assets	12,949,349	12,987,478
Segment liabilities	4,350,107	4,370,931
Deferred tax liabilities	92,487	132,124
Income tax liabilities	532,380	416,177
Borrowings	4,495	–
Liabilities directly associated with assets classified as held for sale	–	29,203
Total liabilities	4,979,469	4,948,435

5. REVENUE AND COST OF SALES AND SERVICES

Revenue mainly comprises of proceeds from property management services, value-added services and city services rendered to customers, net of value added tax and surcharges, and allowances for discounts. An analysis of the Group's revenue and cost of sales and services by category for the year is as follows:

	Year ended 31 December			
	2025	2025	2024	2024
	Revenue <i>RMB'000</i>	Cost of sales and services <i>RMB'000</i>	Revenue <i>RMB'000</i>	Cost of sales and services <i>RMB'000</i>
Revenue from customer and recognised over time:				
Property management services	5,816,459	4,737,361	5,564,305	4,443,480
Community value-added services	458,696	322,072	458,823	312,498
Value-added services to non-property owners	199,087	169,954	176,020	145,924
City services	541,652	475,489	947,466	818,361
	<u>7,015,894</u>	<u>5,704,876</u>	<u>7,146,614</u>	<u>5,720,263</u>
Revenue from customer and recognised at a point in time				
Community value-added services	864,143	775,049	748,922	610,990
	<u>7,880,037</u>	<u>6,479,925</u>	<u>7,895,536</u>	<u>6,331,253</u>
Gross basis	7,646,090	6,366,678	7,683,770	6,219,243
Net basis	233,947	113,247	211,766	112,010
	<u>7,880,037</u>	<u>6,479,925</u>	<u>7,895,536</u>	<u>6,331,253</u>

6. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is calculated after deducting the following expenses:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Employee benefit expenses (excluding directors' and chief executive's remuneration)	2,989,465	3,408,299
Equity-settled share-based payment		
– Employees other than directors	(280)	688
– Directors	(12)	471
	(292)	1,159
Impairment losses on financial assets – net		
– Third parties		
Impairment losses on trade receivables	400,964	169,805
Reversal of impairment losses on other financial assets included in deposits and other receivables	(65,488)	(9,315)
– Related parties		
Impairment losses on trade receivables	118,665	9,506
Reversal of impairment losses on other financial assets included in deposits and other receivables	(54,588)	(27,118)
Total impairment losses on financial assets – net	399,553	142,878
Depreciation and amortisation:		
Depreciation of property, plant and equipment	139,670	128,277
Depreciation of right-of-use assets, included in administrative expenses	18,159	33,190
Depreciation of investment properties	934	934
Amortisation of intangible assets	153,825	164,592
	312,588	326,993
Auditor's remuneration		
– Annual audit services	3,300	3,300
– Non-audit services	500	500
	3,800	3,800
Cleaning cost	949,317	795,980
Greening and gardening costs	142,305	119,051
Security costs	614,161	685,503
Maintenance costs	385,144	312,185
System operation and upgrade costs	58,876	41,307
City services cost	475,489	818,361
Cost of inventories sold	254,120	141,164
Cost of selling parking lots	198,519	12,521
Raw materials used in catering services	112,292	123,724

7. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants	<u>15,048</u>	<u>25,330</u>

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax expense – PRC		
– Corporate income tax	(209,067)	(122,421)
Deferred tax credit		
– PRC corporate income tax	<u>158,516</u>	<u>47,207</u>
	<u>(50,551)</u>	<u>(75,214)</u>

9. EARNINGS/(LOSS) PER SHARE**Basic earnings/(loss) per share**

	Year ended 31 December	
	2025	2024
Profit/(Loss) attributable to equity holders of the Company (RMB'000)	<u>103,300</u>	<u>(272,363)</u>
Weighted average number of ordinary shares (in thousands)	<u>2,468,173</u>	<u>2,456,741</u>
Basic earnings/(loss) per share (expressed in RMB per share)	<u>0.04</u>	<u>(0.11)</u>

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has potential ordinary shares arising from the share award scheme.

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the years ended 31 December 2025 and 2024 as the potential shares arising from the share award scheme had anti-dilutive effect to the Group.

10. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

11. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables		
– Related parties	934,580	753,235
– Third parties	4,450,182	3,635,434
	<u>5,384,762</u>	<u>4,388,669</u>
Notes receivable		
– Related parties	–	200
– Third parties	692	227
	<u>692</u>	<u>427</u>
Less: allowance for impairment losses on trade receivables	<u>(1,473,691)</u>	<u>(1,010,829)</u>
	<u>3,911,763</u>	<u>3,378,267</u>

For trade receivables from property management services, the Group charges property management fees on a monthly or quarterly basis and the payment is generally due upon the issuance of demand notes. No credit period is granted.

Trade receivables from value-added services and city services are due for payments in accordance with the terms of the relevant services agreements with property developers and government bodies, which is normally within 30 to 90 days (2024: 30 to 90 days) from the issue of demand note.

The amounts due from related parties are repayable on credit terms similar to those offered to other major customers of the Group.

An ageing analysis of the trade receivables as at the end of the year, based on the recognition date and before impairment, is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	2,568,097	2,561,773
1 to 2 years	1,317,495	651,705
2 to 3 years	457,492	641,321
3 to 4 years	536,608	415,253
4 to 5 years	385,124	109,918
Over 5 years	119,946	8,699
	<u>5,384,762</u>	<u>4,388,669</u>

As at 31 December 2025 and 2024, the trade receivables were denominated in RMB.

As at 31 December 2025, the total notes receivable (before impairment) amounting to RMB692,000 (2024: RMB427,000) are held by the Group for future settlement of trade receivables. All notes receivable received by the Group are with a maturity period of less than one year.

12. SHARE CAPITAL

Ordinary shares

	Number of ordinary shares of HK\$0.01 each	Share capital	
		<i>HK\$</i>	<i>RMB</i>
Authorised			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>3,500,000,000</u>	<u>35,000,000</u>	<u>30,350,583</u>
Issued and fully paid			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>2,468,173,000</u>	<u>24,681,730</u>	<u>21,357,812</u>

13. TRADE PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables		
– Related parties	19,891	18,548
– Third parties	1,603,308	1,393,740
	<u>1,623,199</u>	<u>1,412,288</u>

The trade payables have a normal credit terms of 30 to 90 days (2024: 30 to 90 days). As at 31 December 2025 and 2024, the carrying amounts of trade payables approximated to their fair values. At 31 December 2025 and 2024, trade payables were denominated in RMB.

The ageing analysis of trade payables based on the invoice date was as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	1,163,280	1,028,286
1 to 2 years	176,951	222,145
2 to 3 years	125,355	44,564
3 to 4 years	42,859	98,161
4 to 5 years	96,771	16,600
Over 5 years	17,983	2,532
	<u>1,623,199</u>	<u>1,412,288</u>

14. DISPOSAL OF SUBSIDIARIES

On 31 December 2024, the Group entered into an equity transfer agreement with independent third parties (the “**Purchaser**”), pursuant to which the Group agreed to sell, and the Purchaser agreed to acquire the 51% equity interests in Quanzhou Youda Property Management Services Co., Ltd. (“**Quanzhou Youda**”) for a consideration of RMB2,800,000. As at 31 December 2024, the assets and liabilities of Quanzhou Youda were classified as “Assets classified as held for sale” and “Liabilities directly associated with assets classified as held for sale”, respectively, in the Group’s consolidated statement of financial position in accordance with HKFRS 5. The disposal of Quanzhou Youda was completed in January 2025.

During the year ended 31 December 2025, the Group completed the disposal of Quanzhou Youda with a net loss on disposal of RMB266,000. The carrying amount of total net assets disposed of, decrease in non-controlling interests, and net cash outflow arising on disposal at the disposal date were RMB6,259,000, RMB3,193,000 and RMB16,727,000, respectively.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with Model Code set out in Appendix C3 to the Listing Rules

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 Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange as the code of conduct regarding securities transactions by the directors of the Company (the “Directors”). The Company has made specific enquiry of all Directors and all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

Compliance with the Corporate Governance Code

The Company has complied with all applicable code provisions set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 to the Listing Rules throughout the year ended 31 December 2025, except for the following deviation:

Under code provision F.1.3 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. Hui Sai Tan, Jason, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 10 June 2025 due to other commitment.

On 18 March 2026, Mr. Gu Yunchang has resigned as an independent non-executive Director of the Company, the chairman of the nomination committee, a member of the Audit Committee and the remuneration committee of the Company due to health issues. Following his resignation, the Company does not meet the requirements under (i) Rules 3.10(1) and Rule 3.10A of the Listing Rules which require that the Board must include at least three independent non-executive Directors and the number of independent non-executive Directors must represent at least one-third of the Board; (ii) Rule 3.21 of the Listing Rules which requires that the Audit Committee must comprise a minimum of three members; (iii) Rule 3.25 of the Listing Rules which requires that the composition requirements and the terms of reference of the remuneration committee; and (iv) Rule 3.27A of the Listing Rules which requires that the composition requirements and the terms of reference of the nomination committee. The Company will endeavor to identify suitable candidates to fill the vacancies of the independent non-executive Director and the relevant Board committees in order to comply with the requirements under the Listing Rules as soon as practicable.

Purchase, Sale or Redemption of Listed Securities

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

Final Dividend

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Annual General Meeting

The 2026 annual general meeting of the Company (the “AGM”) will be held on Monday, 22 June 2026. A notice convening the AGM will be published and dispatched to the shareholders of the Company (the “Shareholders”) in the manner as required by the Listing Rules in due course.

Closure of Register of Members

For the purpose of ascertaining shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 15 June 2026 to Monday, 22 June 2026 (both days inclusive), during which no transfer of shares will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the AGM will be Monday, 22 June 2026. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 12 June 2026.

Scope of Work of the Auditor

The figures in respect of the preliminary announcement of the Group’s annual results for the year ended 31 December 2025 have been agreed by the Group’s auditor, Grant Thornton Hong Kong Limited (the “Auditor”), to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

Publication of annual results announcement and annual report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.shimaofuwu.com). The Company’s 2025 annual report will be despatched to its shareholders and published on the above websites in due course.

On behalf of the Board
Shimao Services Holdings Limited
Hui Sai Tan, Jason
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Hui Sai Tan, Jason (Chairman) and Mr. Shao Liang (President); and two Independent Non-executive Directors, namely, Ms. Zhou Xinyi and Mr. Hui Wai Man, Lawrence.