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**Lushang Life Services Co., Ltd.**

**魯商生活服務股份有限公司**

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

**(Stock Code: 2376)**

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

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	<b>570,699</b>	608,919
Gross profit	<b>120,811</b>	115,938
Gross profit margin	<b>21.2%</b>	19.0%
Profit for the year	<b>34,196</b>	45,125
Net profit margin	<b>6.0</b>	7.4
Profit attributable to equity shareholders of the Company	<b>33,949</b>	45,091
Basic earnings per share (RMB)	<b>0.25</b>	0.34
Cash and cash equivalents	<b>418,083</b>	425,172
Proposed final dividend per share (RMB)	<b>0.0815</b>	0.1080

For the Year, the total revenue of the Group was approximately RMB570.7 million, representing a decrease of approximately 6.3% as compared with approximately RMB608.9 million for the year ended December 31, 2024.

For the Year, the gross profit of the Group was approximately RMB120.8 million, representing an increase of 4.2% as compared with approximately RMB115.9 million for the corresponding period in 2024. The Group's gross profit margin increased 2.1% from 19.0% for the year ended December 31, 2024 to 21.2%.

For the Year, the profit of the Group was approximately RMB34.2 million, representing a decrease of approximately 24.2% as compared with approximately RMB45.1 million for the year ended December 31, 2024.

As of December 31, 2025, the Group's cash and cash equivalents amounted to approximately RMB418.1 million, representing a decrease of approximately 1.7% as compared with that as of December 31, 2024.

As of December 31, 2025, the Group had 23.1 million sq.m. of GFA under its management, representing a decrease of 2.1% as compared with December 31, 2024.

The Board has resolved to recommend the distribution of a final dividend in cash of RMB0.0815 per share of the Company (before tax) for the Year.

## **ANNUAL RESULTS**

The Board hereby announces the annual audited consolidated results of the Group for the Year, together with comparative figures for the year ended December 31, 2024.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

(Expressed in Renminbi (“RMB”))

Items	Notes	2025 RMB	2024 RMB
<b>I. Operating income</b>	13	<b>570,698,759.11</b>	608,918,623.83
Less: Operating costs	13	<b>449,887,330.95</b>	492,980,558.28
Taxes and surcharges		<b>3,264,120.60</b>	3,706,061.02
Selling expenses		-	-
General and administrative expenses		<b>50,757,192.58</b>	50,257,784.64
Research and development expenses		<b>7,462,620.42</b>	5,088,420.03
Financial expenses		<b>-5,039,538.98</b>	-4,593,060.63
Including: Interest expenses		<b>287,929.19</b>	287,299.69
Interest income		<b>6,160,404.95</b>	6,386,971.69
Add: Other income		<b>609,919.81</b>	1,441,137.27
Investment income (losses expressed with “-”)		<b>1,594,871.79</b>	-379,945.42
Including: Income from investment in associates and joint ventures		-	-
Derecognized earnings of financial assets measured at amortized cost		-	-
Net exposure hedge income (losses expressed with “-”)		-	-
Gains from changes in fair value (losses expressed with “-”)		-	-
Credit impairment losses (losses expressed with “-”)		<b>-20,594,251.85</b>	-11,451,424.70
Impairment losses on assets (losses expressed with “-”)		<b>-395,852.99</b>	-80,771.13
Gains from assets disposal (losses expressed with “-”)		-	-
		-----	-----
<b>II. Operating profit (losses expressed with “-”)</b>		<b>45,581,720.30</b>	51,007,856.51
Add: Non-operating income	14	<b>183,948.74</b>	8,327,613.45
Less: Non-operating expenses		<b>149,713.35</b>	232,410.31
		-----	-----
<b>III. Total profit (losses expressed with “-”)</b>		<b>45,615,955.69</b>	59,103,059.65
Less: Income tax expenses	15	<b>11,420,322.95</b>	13,978,453.58
		-----	-----
<b>IV. Net profit (net losses expressed with “-”)</b>		<b>34,195,632.74</b>	45,124,606.07
Including: Net profit realized by the merged party under common control before the merger			
(I) Categorized by continuity of operations			
Net profit from continuing operations (net losses expressed with “-”)		<b>34,195,632.74</b>	45,124,606.07
Net profit from discontinued operations (net losses expressed with “-”)		-	-
(II) Categorized by the portion of equity ownership			
Net profit attributable to owners of the parent company		<b>33,948,762.31</b>	45,091,464.06
Non-controlling interests		<b>246,870.43</b>	33,142.01
<b>V. Other comprehensive income, net of tax</b>		<b>-</b>	-
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Items	<i>Notes</i>	<b>2025 RMB</b>	2024 RMB
<b>Other comprehensive income attributable to owners of the parent company, net of tax</b>		—	—
(I) Other comprehensive income that may not be reclassified to profit or loss		—	—
1. Changes from re-measurement of defined benefit plans, net		—	—
2. Other comprehensive income that may not be transferred to profit or loss under the equity method		—	—
3. Changes in fair value of other equity instrument investments		—	—
4. Changes in fair value of the enterprise's own credit risk		—	—
5. Others		—	—
(II) Other comprehensive income that may be reclassified to profit or loss		—	—
1. Other comprehensive income that may be transferred to profit or loss under the equity method		—	—
2. Changes in fair value of other debt investments		—	—
3. Amounts of financial assets reclassified to other comprehensive income		—	—
4. Credit impairment provision for other debt investments		—	—
5. Reserves for cash flow hedges		—	—
6. Differences on foreign currency translation		—	—
7. Disposal income from a package disposal of subsidiaries before loss of control		—	—
8. Conversion of other assets to investment property measured by fair value model		—	—
9. Others		—	—
<b>Other comprehensive income attributable to minority Shareholders, net of tax</b>		—	—
<b>VI. Total comprehensive income</b>		<b>34,195,632.74</b>	45,124,606.07
Total comprehensive income attributable to owners of the parent company		<b>33,948,762.31</b>	45,091,464.06
Total comprehensive income attributable to minority Shareholders		<b>246,870.43</b>	33,142.01
<b>VII. Earnings per share:</b>		—	—
(I) Basic earnings per share		<b>0.25</b>	0.34
(II) Diluted earnings per share		<b>0.25</b>	0.34

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

(Expressed in RMB)

		As at December 31, 2025 RMB	As at December 31, 2024 RMB
<b>Assets</b>	<i>Notes</i>		
Current assets:			
Monetary funds		<b>420,605,756.35</b>	426,558,420.34
Financial assets held for trading		–	–
Derivative financial assets		–	–
Bills receivables	3	<b>25,599,910.64</b>	46,441,738.61
Accounts receivable	4	<b>221,944,895.83</b>	276,364,740.99
Accounts receivable financing		–	–
Prepayments		<b>2,401,057.86</b>	3,125,684.05
Other receivables		<b>9,598,906.10</b>	3,332,573.58
Inventories		<b>6,654,880.49</b>	7,112,992.27
Contract assets	5	<b>22,855,078.09</b>	61,756,374.04
Assets held-for-sale		–	–
Non-current assets maturing within one year		–	–
Other current assets		<b>1,105.21</b>	603,223.87
<b>Total current assets</b>		<b><u>709,661,590.57</u></b>	<b><u>825,295,747.75</u></b>

<b>Assets</b>	<i>Notes</i>	<b>As at December 31, 2025 RMB</b>	<b>As at December 31, 2024 RMB</b>
Non-current assets:			
Debt investments		–	–
Other debt investments		–	–
Long-term receivable		–	–
Long-term equity investments		<b>36,931,107.62</b>	–
Other equity instrument investments		–	–
Other non-current financial assets		–	–
Investment properties		<b>37,925,631.87</b>	39,774,869.79
Fixed assets	6	<b>48,297,578.99</b>	48,738,575.11
Construction in progress		–	–
Productive biological assets		–	–
Oil and gas assets		–	–
Right-of-use assets		<b>918,032.17</b>	977,067.84
Intangible assets		<b>1,008,184.62</b>	655,580.50
Development expenses		–	–
Goodwill		–	–
Long-term deferred expenses		<b>5,446,420.68</b>	6,075,173.52
Deferred income tax assets		<b>10,252,752.15</b>	7,575,650.42
Other non-current assets		–	–
		-----	-----
<b>Total non-current assets</b>		<b><u>140,779,708.10</u></b>	<u>103,796,917.18</u>
<b>Total assets</b>		<b><u>850,441,298.67</u></b>	<u>929,092,664.93</u>

		As at December 31, 2025 RMB	As at December 31, 2024 RMB
<b>Liabilities and shareholders' equity</b>	<i>Notes</i>		
Current liabilities:			
Short-term borrowings		8,006,888.89	8,008,317.81
Financial liabilities held-for-trading		–	–
Derivative financial liabilities		–	–
Notes payable		–	–
Accounts payables	7	86,376,849.02	165,827,631.03
Advances		280,935.15	316,079.43
Contract liabilities	8	79,922,530.22	80,569,022.21
Employee benefits payable		17,185,214.85	18,792,540.15
Taxes payable		8,399,493.86	5,771,049.10
Other payables	9	55,476,176.84	59,668,177.43
Liabilities held-for-sale		–	–
Non-current liabilities due within one year		97,338.19	2,624,841.77
Other current liabilities		3,827,459.51	18,685,293.00
		-----	-----
<b>Total current liabilities</b>		<b>259,572,886.53</b>	<b>360,262,951.93</b>
Non-current liabilities:			
Long-term borrowings		–	–
Bonds payable		–	–
Including: Preference shares		–	–
Perpetual bonds		–	–
Lease liabilities		580,716.43	–
Long-term payable		–	–
Long-term employee benefits payable		–	–
Accrued liabilities		–	–
Deferred income		–	–
Deferred income tax liabilities		31,540.25	–
Other non-current liabilities		–	–
		-----	-----
<b>Total non-current liabilities</b>		<b>612,256.68</b>	<b>–</b>
<b>Total liabilities</b>		<b>260,185,143.21</b>	<b>360,262,951.93</b>

		<b>As at December 31, 2025 RMB</b>	As at December 31, 2024 RMB
<b>Liabilities and shareholders' equity</b>	<i>Notes</i>		
Shareholders' equity:			
Share capital	10	<b>133,340,000.00</b>	133,340,000.00
Other equity instruments		–	–
Including: Preference shares		–	–
Perpetual bonds		–	–
Capital reserves	11	<b>215,555,753.10</b>	213,924,223.38
Less: Treasury stock		–	–
Other comprehensive income		–	–
Specific reserve		–	–
Surplus reserve	12	<b>20,861,119.73</b>	16,964,526.57
Retained earnings		<b>216,269,688.93</b>	200,618,239.78
		<hr/>	<hr/>
<b>Total equity attributable to shareholders of the parent company</b>		<b>586,026,561.76</b>	564,846,989.73
		<hr/>	<hr/>
Non-controlling interests		<b>4,229,593.70</b>	3,982,723.27
		<hr/>	<hr/>
<b>Total shareholders' equity</b>		<b>590,256,155.46</b>	568,829,713.00
		<hr/>	<hr/>
<b>Total liabilities and shareholders' equity</b>		<b>850,441,298.67</b>	929,092,664.93
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

Lushang Life Services Co., Ltd. (the “**Company**”), formerly known as Shandong Lushang Property Services Co., Ltd., was established in the People’s Republic of China (the “**PRC**”) on March 24, 2006 as a limited liability company under the Company Law of the PRC and converted into a joint stock company with limited liability on March 12, 2021. The address of the Company’s registered office is Room 202, Block 2, Lushang Guo’ao City, No. 9777 Jingshi Road, Lixia District, Jinan, Shandong, PRC.

The Group is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners in the PRC. The immediate parent of the Company is Lushang Freda Pharmaceutical Co., Ltd. (魯商福瑞達醫藥股份有限公司), and the ultimate controlling party of the Company is Shandong Commercial Group Co., Ltd. (山東省商業集團有限公司).

The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on July 8, 2022.

Unless otherwise stated, the Company’s financial information is presented in Renminbi (“**RMB**”), which is the Company’s functional currency.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The Company is incorporated in the PRC and its overseas listed foreign shares have been listed on the Main Board of the Stock Exchange since July 8, 2022. It has adopted International Financial Reporting Standards (the “**IFRSs**”) for the preparation of its financial statements as at December 31, 2022. In order to improve working efficiency and lower the cost for preparing two sets of financial statements in accordance with the China Accounting Standards for Business Enterprises (“**CASBE**”) as well as the IFRSs, on July 17, 2023, the Board considered and approved to prepare the Company’s financial statements and disclose relevant financial information in accordance with the CASBE starting from the interim report as at June 30, 2023. The extraordinary general meeting was held and approved the corresponding changes to the articles of association of the Company on August 3, 2023. For details, please refer to the Company’s announcement dated July 17, 2023.

The Company recognizes, measures and prepares its financial statements according to actual transactions and events as well as the Accounting Standards for Business Enterprises—Basic Standards and various specific accounting standards, the Application Guidance for Accounting Standards for Business Enterprises, the interpretations of the Accounting Standards for Business Enterprises and other relevant regulations (hereinafter collectively referred to as “**Accounting Standards for Business Enterprises**”) issued by the Ministry of Finance. In addition, the Company discloses relevant financial information in accordance with the requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on the Stock Exchange.

**(b) Going Concern**

The Company has assessed its ability to continue as a going concern for the next 12 months from the end of the reporting period, and has not identified any matters or circumstances that cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern assumption.

**3 BILLS RECEIVABLES**

Types	December 31, 2025				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts made on an individual basis	-	-	-	-	-
Provision for bad debts made on a collective basis	25,790,502.73	100.00	190,592.09	0.74	25,599,910.64
Including: the bank acceptance portfolio	-	-	-	-	-
The related party portfolio	22,771,523.30	88.29	43,265.89	0.19	22,728,257.41
The aging portfolio	3,018,979.43	11.71	147,326.20	4.88	2,871,653.23

Types	December 31, 2024				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts made on an individual basis	-	-	-	-	-
Provision for bad debts made on a collective basis	46,779,839.39	100.00	338,100.78	0.72	46,441,738.61
Including: the bank acceptance portfolio	-	-	-	-	-
The related party portfolio	40,274,536.11	86.09	120,823.65	0.30	40,153,712.46
The aging portfolio	6,505,303.28	13.91	217,277.13	3.34	6,288,026.15

#### 4 ACCOUNTS RECEIVABLE

Types	December 31, 2025				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts made on a collective basis	270,846,116.49	100.00	48,901,220.66	18.05	221,944,895.83
Including: the aging portfolio	177,154,345.20	65.41	43,293,694.70	24.44	133,860,650.50
The related party portfolio	93,691,771.29	34.59	5,607,525.96	5.99	88,084,245.33

Types	December 31, 2024				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts made on a collective basis	306,041,337.37	100.00	29,676,596.38	9.70	276,364,740.99
Including: the aging portfolio	173,145,812.24	56.58	27,406,152.80	15.83	145,739,659.44
The related party portfolio	132,895,525.13	43.42	2,270,443.58	1.71	130,625,081.55

The aging analysis of accounts receivable based on transaction dates is as follows:

The aging portfolio	December 31, 2025
Up to 1 year (inclusive)	152,887,281.46
1-2 years	56,546,620.72
2-3 years	29,356,889.05
Over 3 years	32,055,325.26
<b>Total</b>	<b>270,846,116.49</b>

#### 5 CONTRACT ASSETS

Items	December 31, 2025			December 31, 2024		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Landscaping services	–	–	–	37,450,053.23	162,143.81	37,287,909.42
Design services	9,858,393.82	–	9,858,393.82	6,748,998.07	2,213.28	6,746,784.79
Decoration services	13,120,517.04	123,832.77	12,996,684.27	17,809,616.71	87,936.88	17,721,679.83
<b>Total</b>	<b>22,978,910.86</b>	<b>123,832.77</b>	<b>22,855,078.09</b>	<b>62,008,668.01</b>	<b>252,293.97</b>	<b>61,756,374.04</b>

## 6 FIXED ASSETS

### Details of fixed assets

Items	Houses and buildings	Means of transportation	Machinery and other equipment	Total
<b>I. Original carrying amount</b>				
1. Opening balance	41,793,419.69	15,309,998.92	17,853,130.56	74,956,549.17
2. Increase in the current period	–	1,951,998.22	3,681,352.27	5,633,350.49
Purchases	–	1,951,998.22	3,681,352.27	5,633,350.49
3. Decrease in the current period	–	348,487.83	957,508.68	1,305,996.51
Disposal or retirement	–	348,487.83	957,508.68	1,305,996.51
4. Closing balance	41,793,419.69	16,913,509.31	20,576,974.15	79,283,903.15
<b>II. Accumulated amortisation</b>				
1. Opening balance	5,285,522.04	9,158,497.77	11,773,954.25	26,217,974.06
2. Increase in the current period	992,593.68	2,441,780.96	2,517,970.78	5,952,345.42
Provisions in the current period	992,593.68	2,441,780.96	2,517,970.78	5,952,345.42
3. Decrease in the current period	–	283,364.70	900,630.62	1,183,995.32
Disposal or retirement	–	283,364.70	900,630.62	1,183,995.32
4. Closing balance	6,278,115.72	11,316,914.03	13,391,294.41	30,986,324.16
<b>III. Allowance for impairment</b>				
1. Opening balance	–	–	–	–
2. Increase in the current period	–	–	–	–
3. Decrease in the current period	–	–	–	–
4. Closing balance	–	–	–	–
<b>IV. Carrying amount</b>				
1. Closing carrying amount	35,515,303.97	5,596,595.28	7,185,679.74	48,297,578.99
2. Opening carrying amount	<u>36,507,897.65</u>	<u>6,151,501.15</u>	<u>6,079,176.31</u>	<u>48,738,575.11</u>

**7 ACCOUNTS PAYABLES**

**(a) Presentation of accounts payables**

<b>Items</b>	<b>December 31, 2025</b>	December 31, 2024
Payables for materials	<b>2,956,760.48</b>	659,547.79
Construction payables	<b>9,492,285.38</b>	72,234,232.98
Accrued accounts payable	<b>2,056,621.45</b>	1,705,399.10
Payables for project costs	<b>67,228,827.22</b>	83,817,728.39
Others	<b>4,642,354.49</b>	7,410,722.77
<b>Total</b>	<b><u>86,376,849.02</u></b>	<u>165,827,631.03</u>

**(b) The aging analysis of accounts payables (including amounts due to related parties)**

The aging analysis of accounts payables based on transaction dates is as follows:

<b>Aging</b>	<b>December 31, 2025</b>	December 31, 2024
Up to 1 year	<b>64,350,592.61</b>	119,403,058.28
1-2 years	<b>11,460,272.41</b>	26,315,674.51
2-3 years	<b>3,005,712.75</b>	11,887,664.11
Over 3 years	<b>7,560,271.25</b>	8,221,234.13
<b>Total</b>	<b><u>86,376,849.02</u></b>	<u>165,827,631.03</u>

**8 CONTRACT LIABILITIES**

<b>Items</b>	<b>December 31, 2025</b>	December 31, 2024
Property management fees	<b>71,149,881.46</b>	79,092,601.23
Community value-added services	<b>8,772,648.76</b>	1,476,420.98
Landscaping design services	<b>—</b>	—
<b>Total</b>	<b><u>79,922,530.22</u></b>	<u>80,569,022.21</u>

## 9 OTHER PAYABLES

### Presentation of other payables by nature

Nature	December 31, 2025	December 31, 2024
Deposit and security deposit	27,070,721.15	28,084,358.15
Advance payment	1,329,070.71	1,275,996.35
Escrow fund	10,872,246.11	8,553,839.88
Party building	1,481,633.17	1,738,150.24
Public maintenance funds	1,223,590.91	2,555,731.04
Utilities	1,361,967.16	1,301,186.49
Intermediation fees	–	4,354,918.26
Others	1,866,147.63	1,590,257.02
<b>Total</b>	<b>45,205,376.84</b>	<b>49,454,437.43</b>

## 10 Share Capital

Item	December 31, 2024	Changes in current period (+ or -)					Subtotal	December 31, 2025
		Issuance of new shares	Bonus share	Reserved funds converted into shares	Others			
Total shares	133,340,000.00	–	–	–	–	–	133,340,000.00	

## 11 CAPITAL RESERVES

Items	December 31, 2024	Increase in the period	Decrease in the period	December 31, 2025
Capital premium (Equity premium)	213,924,223.38	1,631,529.72	–	215,555,753.10
Other capital reserves	–	–	–	–
<b>Total</b>	<b>213,924,223.38</b>	<b>1,631,529.72</b>	<b>–</b>	<b>215,555,753.10</b>

## 12 SURPLUS RESERVE

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	16,964,526.57	3,896,593.16	–	20,861,119.73
<b>Total</b>	<u>16,964,526.57</u>	<u>3,896,593.16</u>	<u>–</u>	<u>20,861,119.73</u>

## 13 OPERATING REVENUE & OPERATING COSTS

### (a) Operating revenue & operating cost

Items	January to December in 2025		January to December in 2024	
	Revenue	Cost	Revenue	Cost
Principal operations	570,591,840.76	449,887,330.95	607,769,943.85	492,648,255.60
Other operations	106,918.35	–	1,148,679.98	332,302.68
<b>Total</b>	<u>570,698,759.11</u>	<u>449,887,330.95</u>	<u>608,918,623.83</u>	<u>492,980,558.28</u>

### (b) Income from contracts

Classification of contracts	January to December in 2025	January to December in 2024
Goods	–	–
Including: Property management services	352,746,818.82	333,688,367.92
Value-added services to non-property owners	78,150,600.36	129,795,013.30
Community value-added services	139,801,339.93	145,435,242.61
<b>Total</b>	<u>570,698,759.11</u>	<u>608,918,623.83</u>
<b>Classified by region</b>	<b>January to December in 2025</b>	<b>January to December in 2024</b>
Including: Mainland of China	570,698,759.11	608,918,623.83
<b>Classified by contract terms</b>	<b>–</b>	<b>–</b>
Including: Revenue recognised at a point in time	129,004,245.79	136,882,225.18
Revenue recognised over time	441,694,513.32	472,036,398.65
<b>Total</b>	<u>570,698,759.11</u>	<u>608,918,623.83</u>

**14 NON-OPERATING INCOME**

<b>Items</b>	<b>January to December in 2025</b>	<b>January to December in 2024</b>
Gains from retirement of non-current assets	545.68	450.00
Government subsidy	–	8,270,000.00
Other income	<u>183,403.06</u>	<u>57,163.45</u>
<b>Total</b>	<b><u>183,948.74</u></b>	<b><u>8,327,613.45</u></b>

**15 INCOME TAX EXPENSES**

<b>Items</b>	<b>January to December in 2025</b>	<b>January to December in 2024</b>
Current income tax calculated on the basis of the tax laws and relevant regulations	–	–
– Corporate income taxes in Mainland of China	14,443,864.07	15,042,733.94
Deferred income tax expenses	<u>-3,023,541.12</u>	<u>-1,064,280.36</u>
<b>Total</b>	<b><u>11,420,322.95</u></b>	<b><u>13,978,453.58</u></b>

The Group had no Hong Kong profit, since it had no taxable income derived from Hong Kong during the year.

**16 RETURN ON NET ASSETS AND EARNINGS PER SHARE**

<b>Profit for the reporting period</b>	<b>Return on net assets (%)</b>	<b>Basic earnings per share</b>	<b>Diluted earnings per share</b>
Net profit attributable to the holders of ordinary shares of the parent company	5.82	0.25	0.25
Net profit attributable to the holders of ordinary shares of the parent company (excluding: extraordinary profit and loss)	<u>6.12</u>	<u>0.27</u>	<u>0.27</u>

## 17 DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the year:

	<b>2025</b>	2024
	<b>RMB0'000</b>	RMB0'000
Final dividend proposed after the end of the reporting period of RMB0.0815 (2024: RMB0.1080) per ordinary share	<b><u>1,086.72</u></b>	<u>1,440.07</u>

The final dividend proposed for shareholders' approval after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

## 18. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On March 27, 2026, the directors of the Company proposed a final dividend. Further details are disclosed in Note 17.

## **CHAIRMAN’S STATEMENT**

### **2025 REVIEW**

The Year 2025 marked a pivotal year for the Group in executing its “Quality Leap Year” strategic focus and advancing high-quality development. Throughout the Year, the Group remained steadfastly committed to its core objectives of “expanding markets, enhancing quality and efficiency, driving reforms, and building brands”. We vigorously pursued the implementation of all initiatives, achieving breakthrough progress in multiple areas and laying a solid foundation for future growth.

#### **Continuous Optimization of Business Structure**

We actively expanded third-party businesses, successfully securing listings on key supplier platforms for multiple central and state-owned enterprises. We optimized our portfolio by exiting low-profit projects to enhance overall profitability. Professional service capabilities strengthened continuously, with community catering and elevator maintenance businesses maintaining robust growth momentum, adding new drivers to the Group’s overall revenue expansion.

#### **Innovation and Enhancement of Service Models**

We advanced the integration of “multiple 15-minute circles”, collaborating with provincial, municipal, and district human resources and social security bureaus to pilot dual-circle integration of “15-Minute Employment Service Circle (15分鐘就業服務圈)” and “15-Minute Community Living Circle (一刻鐘便民生活圈)” at Yinzuo Garden (銀座花園) and Lushang Phoenix City (魯商鳳凰城). The Yinzuo Garden project has passed municipal and district-level inspections. The 15-Minute “Lushang Model (魯商模式)” was output, achieving a key breakthrough with the high-quality acceptance of projects in Quan Yun Village (全運村) and Shiheling (石河嶺). This marks the first successful external replication of the 15-minute “Lushang Model” beyond its local origins. The “Hospital-Community-Home nutrition and health model” was established in collaboration with provincial and municipal health commissions and Shandong Agriculture and Engineering University, creating a closed-loop system integrating “health interventions, catering services, and science education”.

## **Steady Advancement of Digital and Intelligent Transformation**

Guided by the “Heartfelt Service · New Intelligence (心服務 · 新智能)” philosophy, we are driving artificial intelligence implementation across both service and management. Externally, the smart customer service software “Lu Xiaofu (魯小服)” was launched, enabling “second-level response and one-click access” for high-frequency scenarios like incident reporting and fee inquiries. Through 24/7 voice interaction, it significantly enhances service efficiency and resident satisfaction. Internally, the knowledge assistant “Lu Xiaozhi (魯小智)” was deployed, markedly improving internal consultation processing efficiency and substantially enhancing the accuracy of policy implementation.

## **Effective Empowerment through Party Building Leadership**

Using the “Red Property” demonstration project as a vehicle, we integrated Party building into livelihood initiatives, thoroughly conducted learning campaigns and the “Year of Improving Work Style (作風建設提升年)” activities, continuously honing rigorous and pragmatic work ethics while fostering a sound political ecosystem. By deeply embedding Party building into business practices, we drove practical achievements to be selected as provincial-level model cases, achieving “dual improvements” in Party building quality and operational efficiency.

## **FUTURE PROSPECT**

We deeply understand clients’ practical needs, steadfastly adhere to the “12345” development strategy, and leverage our business development framework with one body and two wings. By shaping the “Five-Heart (五·心)” service philosophy and building a diversified brand matrix, the Company continuously enhances residents’ quality of life and strengthens its corporate core competitiveness. Moving forward, the Company will steadfastly uphold its corporate mission of “serving beauty and sharing happiness”. Guided by Party building to unite development efforts, empowered by intelligence to redefine service value, and driven by collaboration to enhance public welfare, we will stride forward on our journey to become a nationally leading modern service enterprise.

## **ACKNOWLEDGEMENT**

In 2025, through the tireless efforts and selfless dedication of all employees, we achieved orderly progress across all fronts, with our accomplishments gaining recognition from all sectors of society. On behalf of the Board, our sincere gratitude shall be extended to all employees, Shareholders, investors, clients, and partners who poured immense effort and their unwavering support and trust throughout the Year.

The year 2026 marks the beginning of the 15th Five-Year Plan. Opportunities and challenges coexist, and the development tasks are arduous yet honorable. All cadres and employees of us will unite in purpose and effort, with stronger conviction, more pragmatic work styles, and more effective measures, to jointly write a new chapter in the high-quality development of the Company. We will continue to create greater value for our clients, Shareholders, investors, employees, partners, and society at large.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Overview**

We are a comprehensive property management service provider with a market leading position in Shandong Province and a proven track record of rapid growth.

During the Year, the revenue of the Group was RMB570.7 million, representing a decrease by 6.3% as compared with RMB608.9 million for the same period in 2024. The Company's net profit attributable to owners of the parent company during the Year was RMB33.9 million, representing a decrease by 24.7% as compared with RMB45.1 million for the corresponding period in 2024. As at December 31, 2025, the Group had 100 projects under management, with the total GFA under management of 23.1 million sq.m. (December 31, 2024: 23.6 million sq.m.), representing a decrease by 2.1%. It also had 100 contracted projects, with total contracted area of 25.9 million sq.m. (December 31, 2024: 26.6 million sq.m.), representing a decrease by 2.6%. Headquartered in Jinan, Shandong Province, through 20 years of development since our establishment in 2006, we have expanded our coverage to nearly all prefecture-level cities in Shandong Province and to Beijing and Harbin. We are deeply rooted in Shandong Province, which is one of the most populous and economically prosperous provinces in China, and has always been and will continue to be our strategic development focus. According to National Bureau of Statistics, as at December 31, 2025, the aggregate GDP of Shandong Province ranked third among all provinces in China, and the annual disposable income per capita in Shandong Province is higher than the average in China. Throughout the course of our development, we have adhered to our vision of “service provider for wonderful life” (“美好生活服務商”) in conducting our business. We believe that our commitment to customer satisfaction and customer-centric culture have shaped our brand image and helped to establish our leading market position in Shandong Province.

## The Business Model of the Company

During the Year, we generated revenue primarily from: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

*Property management services: accounting for approximately 61.8% of total revenue*

For the Year, the Group's revenue from property management services amounted to approximately RMB352.7 million, representing an increase of approximately 5.7% as compared to the corresponding period in 2024, mainly due to the optimization of our project portfolio and strategic expansion of commercial properties business during the Year.

The following table sets forth the changes in the GFA under the management of the Group for the periods indicated:

Source of projects	2025		As of December 31, 2024		Change	
	GFA under management <i>sq.m. in thousands</i>	Proportion of GFA under management %	GFA under management <i>sq.m. in thousands</i>	Proportion of GFA under management %	GFA under management <i>sq.m. in thousands</i>	Growth rate %
	Related parties	16,711	72.4	16,141	68.5	570
Third parties	6,368	27.6	7,437	31.5	-1,069	-14.4
<b>Total</b>	<b>23,079</b>	<b>100</b>	<b>23,578</b>	<b>100</b>	<b>-499</b>	<b>-2.1</b>

*Note:* The decrease in GFA under the management of the Group in respect of projects from third parties during the Year was mainly due to the Company's exit from certain low-margin projects.

The following table sets forth a breakdown of the Group's revenue, GFA under management and number of projects under management by property type for the periods indicated:

Source of projects	For the year ended/As at December 31,									
	2025					2024				
	Revenue		GFA under management		Number of projects under management	Revenue		GFA under management		Number of projects under management
RMB'000	%	sq.m.'000	%	RMB'000		%	sq.m.'000	%		
Residential properties	191,157	54.2	13,086	56.7	38	184,952	55.4	12,920	54.8	37
Non-residential properties										
(1) Commercial properties	101,578	28.8	4,262	18.5	40	96,128	28.8	4,105	17.4	40
(2) Others	60,012	17.0	5,731	24.8	22	52,608	15.8	6,553	27.8	20
<b>Total</b>	<b>352,747</b>	<b>100</b>	<b>23,079</b>	<b>100</b>	<b>100</b>	<b>333,688</b>	<b>100</b>	<b>23,578</b>	<b>100</b>	<b>97</b>

We provide property management to a diversified portfolio of properties, including both residential properties and non-residential properties such as commercial complexes, municipal facilities, office buildings, apartments, schools, theme towns, hospitals, banks, industrial parks. As of December 31, 2025, we managed a total of 62 non-residential properties, with an aggregate GFA of non-residential properties under management of 10.0 million sq.m.. Our diversified portfolio of properties under management has helped us diversify our revenue streams.

*Value-added services to non-property owners: accounting for approximately 13.7% of total revenue*

The following table sets forth a breakdown of revenue from value-added services to non-property owners of the Group by service type for the periods indicated:

Service type	For the year ended December 31,			
	2025		2024	
	<i>RMB'000</i>	<i>Percentage of revenue %</i>	<i>RMB'000</i>	<i>Percentage of revenue %</i>
Design services	40,887	52.3	39,079	30.1
Landscaping services	20,993	26.9	74,606	57.5
Preliminary property management services	12,512	16.0	11,530	8.9
Pre-delivery services	2,354	3.0	2,520	1.9
Other customized services	1,405	1.8	2,060	1.6
<b>Total</b>	<b>78,151</b>	<b>100</b>	<b>129,795</b>	<b>100.0</b>

For the Year, the Group's revenue from value-added services to non-property owners amounted to approximately RMB78.2 million, representing a decrease of approximately 39.8% over the corresponding period in 2024, mainly due to (i) the decrease in the number of projects delivered by property developers during the Year resulting from the downturn of the real estate market, which led to the decrease in the revenue from pre-delivery services and other customized services; and (ii) starting in the second half of the Year, our former subsidiary, Urban Garden was excluded from the scope of consolidated financial statements due to capital increases by other shareholders, resulting in a year-over-year decrease in revenue from landscaping services.

Our value-added services to non-property owners (covering the entire cycle of real estate development) provide services for the entire process from project planning, development to operation through in-depth participation. We not only build strategic synergy with property developers, but also establish in-depth interaction with future property owners through precise demand matching and customized service solutions before the property is delivered, thereby continuously improving customer value recognition and brand loyalty throughout the project life cycle.

*Community value-added services: accounting for approximately 24.5% of total revenue*

The table below sets forth a breakdown of revenue generated from value-added services to community of the Group by service type for the periods indicated:

Service type	For the year ended December 31,			
	2025		2024	
	<i>RMB'000</i>	<i>Percentage of revenue %</i>	<i>RMB'000</i>	<i>Percentage of revenue %</i>
Parking space management services	<b>49,029</b>	<b>35.1</b>	44,047	30.3
Community living services	<b>50,859</b>	<b>36.4</b>	61,524	42.3
Utility management services	<b>33,393</b>	<b>23.9</b>	31,700	21.8
Community space and resource management services	<b>6,520</b>	<b>4.6</b>	8,165	5.6
<b>Total</b>	<b><u>139,801</u></b>	<b><u>100</u></b>	<b><u>145,436</u></b>	<b><u>100.0</u></b>

We aim to improve our property owners' and residents' quality of life by providing them with access to a wide range of community value-added services. For the Year, the Group's revenue from community value-added services amounted to approximately RMB139.8 million, representing a decrease of approximately 3.9% as compared with the corresponding period of 2024, mainly due to the decrease in asset disposal business in community living services.

## FINANCIAL REVIEW

### Revenue

The Group's revenue comes from: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. The following table sets out the breakdown of revenue by business lines during the periods indicated below:

Revenue	For the year ended December 31,				
	2025		2024		Growth Rate
	<i>RMB'000</i>	<i>Percentage of revenue %</i>	<i>RMB'000</i>	<i>Percentage of revenue %</i>	
Property management services	352,747	61.8	333,688	54.8	5.7
Value-added services to non-property owners	78,151	13.7	129,795	21.3	-39.8
Community value-added services	139,801	24.5	145,435	23.9	-3.9
<b>Total</b>	<b>570,699</b>	<b>100</b>	<b>608,919</b>	<b>100.0</b>	<b>-6.3</b>

For the Year, the total revenue of the Group was approximately RMB570.7 million (2024: approximately RMB608.9 million), representing a decrease of approximately 6.3% as compared with the same period in 2024, primarily due to the decrease in revenue of value-added services to non-property owners and the revenue of the community value-added services.

**Value-added services to non-property owners:** The revenue of our value-added services to non-property owners decreased by 39.8% from RMB129.8 million for the same period in 2024 to RMB78.2 million for the Year, mainly due to (i) the decrease in the number of projects delivered by property developers during the Year resulting from the downturn of the real estate market, which led to the decrease in the revenue from pre-delivery services and other customized services; and (ii) our former subsidiary, Urban Garden, was excluded from the scope of consolidated financial statements from the second half of the Year due to capital increases by other shareholders in the current period, resulting in a year-over-year decrease in revenue from landscaping services.

**Community value-added services:** The revenue of our community value-added services decreased by 3.9% from RMB145.4 million for the same period in 2024 to RMB139.8 million for the Year, mainly due to the decrease in asset disposal business in community living services.

**Property management services:** The revenue of our property management services increased by 5.7% from RMB333.7 million for the same period in 2024 to RMB352.7 million for the Year, primarily due to the optimization of our project portfolio and strategic expansion of commercial properties business during the Year.

### Cost of Sales

For the Year, the cost of sales of the Group was approximately RMB449.9 million (2024: approximately RMB493.0 million), representing a decrease of approximately 8.7% as compared with the same period in 2024, mainly due to (i) our former subsidiary, Urban Garden, was excluded from the scope of consolidated financial statements from the second half of the Year due to capital increase of Urban Garden during the Year, resulting in a year-over-year decrease in cost from landscaping services in value-added services to non-property owners; and (ii) the year-over-year decrease in costs of asset disposal business in community living services of community value-added services.

### Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of the gross profit and gross profit margin of the Group by service type for the periods indicated:

	For the year ended December 31,			
	2025		2024	
	Gross profit	margin	Gross profit	margin
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management services	55,650	15.8	53,950	16.2
Value-added services to non-property owners	28,959	37.1	24,070	18.5
Community value-added services	36,202	25.9	37,918	26.1
<b>Total</b>	<b>120,811</b>	<b>21.2</b>	<b>115,938</b>	<b>19.0</b>

For the Year, our gross profit was approximately RMB120.8 million, representing an increase of 4.2% as compared with RMB115.9 million for the same period in 2024. The gross profit margin of the Group increased from approximately 19.0% in the same period in 2024 to approximately 21.2%.

For the Year, the gross profit margin of property management services of the Group was approximately 15.8% (2024: approximately 16.2%). The drop in the gross profit margin as compared with the corresponding period was mainly due to the expansion of commercial properties business with lower gross profit margin during the period.

The gross profit margin of value-added services to non-property owners of the Group was approximately 37.1% (2024: approximately 18.5%). The rise in the gross profit margin of value-added services to non-property owners as compared with the corresponding period in 2024 was mainly due to the decrease in revenue from landscaping services with lower gross profit margin.

The gross profit margin of community value-added services of the Group was approximately 25.9% (2024: approximately 26.1%). The gross profit margin remained stable compared to the same period in 2024.

### **Administrative and Other Expenses**

For the Year, the total administrative expenses of the Group were approximately RMB58.2 million, representing an increase of approximately 5.2% from approximately RMB55.3 million for the same period in 2024, primarily due to the increase in management costs resulting from our efforts to improve management quality and expand our business externally.

### **Other Income**

For the Year, other income was approximately RMB0.6 million, representing a decrease of approximately 57.7% from approximately RMB1.4 million for the same period in 2024, primarily due to a decrease in government grants received during the current period.

### **Non-operating income**

For the Year, non-operating income was approximately RMB0.2 million, representing a decrease of approximately RMB8.1 million as compared with approximately RMB8.3 million for the same period in 2024, primarily due to the receipt of government grants for the Company's Listing during the prior period.

## **Profit for the Year**

Our profit for the Year was approximately RMB34.2 million, representing a decrease of approximately 24.2% from approximately RMB45.1 million for the same period in 2024.

## **Current Assets**

As of December 31, 2025, the current assets of the Group were approximately RMB709.7 million, representing a decrease of 14.0% as compared with approximately RMB825.3 million as of December 31, 2024. As of December 31, 2025, the current ratio (current assets divided by current liabilities) of the Group was approximately 2.7 times (December 31, 2024: approximately 2.3 times).

## **Fixed Assets and Right-of-use Assets**

Our fixed assets and right-of-use assets mainly consist of plant and buildings, machinery and other equipment and vehicles. As of December 31, 2025, the Group's fixed assets and right-of-use assets amounted to approximately RMB49.2 million, representing a decrease of approximately RMB0.5 million as compared with approximately RMB49.7 million as of December 31, 2024, primarily due to the depreciation of fixed assets and right-of-use assets during the Year.

## **Trade and Bills Receivables**

Our trade and bills receivables decreased from RMB322.8 million as of December 31, 2024 to RMB247.5 million as of December 31, 2025, primarily due to a decrease in receivables for landscaping services, resulting from the exclusion of our former subsidiary, Urban Garden, from the consolidated financial statements starting in the second half of the Year due to capital increases by other shareholders in the current period.

## **Prepayments, Deposits and Other Receivables**

Our prepayments, deposits and other receivables primarily include (i) prepayments, mainly represent prepayments we made to energy providers on behalf of property owners and residents; and (ii) deposits, mainly represent deposits made for participating in tender and bidding process for obtaining projects and contract performance deposits.

As of December 31, 2025, prepayments, deposits and other receivables amounted to approximately RMB12.0 million, representing an increase of approximately 84.62% (or approximately RMB5.5 million), as compared with approximately RMB6.5 million as of December 31, 2024, primarily due to (i) the businesses related to the disbursement of maintenance funds by the Affordable Housing Service Center tends to be concentrated toward the end of the Year, and the relevant amounts have not yet been received; and (ii) an increase in deposits and contract performance deposits paid to expand our community value-added services.

### **Trade Payables**

As of December 31, 2025, trade payables amounted to approximately RMB86.4 million, representing a decrease of approximately RMB79.5 million as compared with approximately RMB165.8 million as of December 31, 2024, primarily due to (i) a decrease in outsourcing fees for landscaping services, resulting from the exclusion of our former subsidiary, Urban Garden, from the consolidated financial statements starting in the second half of the Year due to capital increases by other shareholders in the current period; and (ii) the reduction in outsourcing fees for property management and design services, resulting in a decrease in the scale of trade payables.

### **Accrued Expenses and Other Payables**

Our accrued expenses and other payables primarily consist of (i) accrued payroll and other benefits; (ii) deposits; (iii) receipts and payments on behalf of property owners; and (iv) other payables and accruals.

As of December 31, 2025, accrued expenses and other payables amounted to approximately RMB81.1 million, representing a decrease of approximately RMB3.2 million as compared with approximately RMB84.2 million as of December 31, 2024, primarily due to the payment of printing costs for Listing in the current period, resulting in a decrease in balances.

### **Liquidity and Capital Resources**

Our principal use of cash has been for working capital purposes. Our main source of liquidity has been generated from cash flow from operations.

## **Proceeds from the Listing**

The Company was listed on the main board of the Stock Exchange on July 8, 2022. After deducting underwriting fees and commissions and relevant expenses, net proceeds from the Listing amounted to approximately HK\$138.40 million (the “**Net Proceeds**”).

Reference is made to the Change of UOP Announcement dated December 19, 2025, the Group strictly utilised the Net Proceeds for the purposes as stated in the Prospectus as at the date of the Change of UOP Announcement, among which, approximately HK\$19.05 million of the Net Proceeds has been utilised with approximately HK\$119.35 million of the Net Proceeds being unutilised (the “**Unutilised Proceeds**”).

Amid the dual challenges of an adjustment period in the property industry and intensifying competition in terms of property management in the PRC, the Group is placing a greater focus on steady and sustainable development. Accordingly, the Group has adopted a more prudent and business-aligned investment strategy. At the same time, the Group is proactively implementing a talent strategy to attract and cultivate outstanding personnels, thereby strengthening the Group’s core competitiveness and infusing vitality into its long-term growth. Therefore, based on a comprehensive consideration of the aforementioned factors along with the actual efficiency of usage across various purposes, the Group has decided to adjust and reallocate the intended use of Net Proceeds.

On November 28, 2025, the Board has resolved that with respect to the Proposed Change, it would be detailed as follows:

- (i) For the category “Strategic cooperation, acquisitions and investments to expand business scale and diversity property portfolio”, it will be revised to “Investments including strategic partnerships, acquisitions, and capital increase in subsidiaries to expand the Group’s business scope and scale”. Under the Proposed Change, approximately HK\$55.36 million of the Net Proceeds were assigned for this purpose.

- (ii) For the category “Enhance property management services and further develop our diversified community value-added services to improve our customers’ experience and satisfaction”, to align with the Company’s value-added business development direction and improve the efficiency of the use of these proceeds, it is proposed to consolidate the Net Proceeds under this category for the following purposes: 1) Improve the Company’s management and service system; 2) Enhance the Company’s standardization efforts; 3) Improve the quality of services in the community and create a “15-minute convenient living circle”; 4) Organize internal competitions and contests to further motivate employees and improve their skills; 5) Further expand community value-added services and 6) Recruitment and training of talents. Under the Proposed Change, approximately HK\$20.76 million of the Net Proceeds were assigned for this purpose.
- (iii) 10% of the Net Proceeds (in the amount of approximately HK\$13.84 million) will be reallocated to a new category of utilisation “Promotion of ESG Development” under the Proposed Change, in order to actively respond to the public’s demands and expectations for green development, energy conservation, and emission reduction, fulfilling the social responsibilities of state-owned enterprises more comprehensively and thoroughly.
- (iv) For the category on “Invest in technology systems and standardized business operations”, approximately HK\$14.84 million of the Net Proceeds remain unutilised as at the date of the Change of UOP Announcement, such amount is intended to be utilised more efficiently under the Proposed Change for 1) internal management system operation and data protection; 2) mobile application development costs, related data communication costs, server rental fees required for mobile application maintenance, and online service platform upgrade costs; 3) monitoring and communication equipment and management intelligent system upgrades and renovations; 4) parking lot facility and equipment improvements; and 5) for intelligent robot and intelligent equipment procurement, etc..
- (v) As at the date of the Change of UOP Announcement, 10% of the Net Proceeds (in the amount of approximately HK\$13.84 million) had been allocated for “Working capital and other general corporate purposes”, and approximately HK\$13.00 million of the Net Proceeds had been utilised. An additional 10% of the Net Proceeds will be allocated to this purpose and the reallocation will promote flexibility of utilisation on the Net Proceeds under the Proposed Change.

For details of the Proposed Change, please refer to the Change of UOP Announcement dated December 19, 2025.

## **Cash and Cash Equivalents**

As of December 31, 2025, the Group's cash and cash equivalents amounted to approximately RMB418.1 million, representing a decrease of 1.7% as compared with approximately RMB425.2 million as of December 31, 2024, primarily due to our strengthened management of accounts receivable this Year, which led to an increase in the collection of property management fees; however, cash and cash equivalents decreased slightly due to the exclusion of our former subsidiary, Urban Garden, from the consolidated financial statements starting in the second half of the Year due to capital increases by other shareholders in the current period.

Such cash and cash equivalents included approximately RMB418.06 million (December 31, 2024: RMB425.2 million) denominated in RMB and approximately RMB0.022 million (December 31, 2024: RMB0.024 million) denominated in HK\$, calculated based on the exchange rate as of December 31, 2025.

## **Interest-bearing Borrowings**

Our interest-bearing borrowings was RMB8.01 million as of December 31, 2025, all denominated in RMB with maturity on March 17, 2026, and interest on borrowings at the fixed rate of 3.1% per annum.

## **Pledge of Assets**

As at December 31, 2025, we had not pledge any of our assets (December 31, 2024: nil).

## **Gearing Ratio**

Gearing ratio is calculated based on total liabilities, which represent the sum of current liabilities and non-current liabilities, divided by total assets, which represent the sum of current assets and non-current assets, as at the respective dates and multiplied by 100%. Our gearing ratio was 30.6% as of December 31, 2025 (December 31, 2024: 38.8%).

## **Significant Investments, Material Acquisitions and Disposals**

### *Discloseable and Connected Transaction in relation to Capital Increase and Deemed Disposal of Equity Interest in a Subsidiary*

References are made to the announcement of the Company dated March 21, 2025, the circular of the Company dated May 30, 2025 and the poll results announcement of the Company dated June 27, 2025 in relation to, among others, the Capital Increase (collectively, the “**Capital Increase Publication**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Capital Increase Publication.

On March 21, 2025 (after trading hours of the Stock Exchange), the Company entered into the Capital Increase Agreement with the Investor (Shandong Commercial Real Estate Development Co., Ltd.\* (山東省城發建設管理有限公司)) and Urban Garden (as the target company), pursuant to which the Investor has conditionally agreed to inject capital in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) into Urban Garden in the form of registered capital and capital reserves, of which RMB20,820,000.00 (equivalent to approximately HK\$22,387,097.00) and RMB15,500,000.00 (equivalent to approximately HK\$16,666,666.00) shall be recognised as the registered share capital and the capital reserves of Urban Garden, respectively.

Upon completion of the Capital Increase, the registered capital of Urban Garden will be increased from RMB20,000,000.00 to RMB40,820,000.00 and Urban Garden will be owned by the Investor and the Company as to 51% and 49% of its enlarged equity interest, respectively, and following the Capital Increase, Urban Garden will cease to be a subsidiary of the Company and, accordingly, the financial results of Urban Garden will no longer be consolidated in the Group’s accounts. Urban Garden will be accounted for an associate of the Company. Completion of the Capital Increase took place on July 1, 2025.

For details of the Capital Increase, please refer to the Capital Increase Publication.

Save as disclosed in this announcement, there were no significant investments, material acquisitions and disposals of subsidiaries, associates or joint ventures during the Year.

## **Future Plans for Material Investments and Capital Assets**

The Group has no future plan for material investments or capital assets during the Year. However, the Group will continue to identify new opportunities for business development.

## **Contingent Liabilities and Commitments**

We did not have any other outstanding guarantees or other material contingent liabilities as of December 31, 2025.

## **Foreign Exchange Risk**

The Group conducts its business in RMB. The Group will continue to keep track of the foreign exchange risk and take prudent measures to mitigate exchange risk, and take appropriate action where necessary. The Group currently has not adopted any foreign currency hedging policies.

## **Employees and Remuneration Policy**

As of December 31, 2025, the Group had 1,310 employees (as of December 31, 2024: 1,405 employees). During the Year, we have once again optimized the composition of our remuneration in line with the industry conditions and adjusted the incentives programs for value-added operations, investment development and other specialized businesses in order to fully motivate our employees. Compensation for employees of the Group is made with reference to the market as well as the nature of work and individual performance. The Group regularly makes necessary adjustments to the remuneration policies and packages to accommodate the pay levels in the industry.

During the Year, the Company took “system-based, talent-driven, training-enabled” as its strategic orientation and built a three-in-one management system. Through deepening market-oriented reforms, the Company has fully implemented the competitive mechanism for managers, innovatively implemented the “star rating” three-channel talent development model, established a “one person, one form, two contracts” to deepen the contractual management system, with an aim to form a dual-link mechanism between performance and salary, and fully release the organizational effectiveness and talent potential. Focusing on the dimension of team building, the Company innovatively created a dual-drive model of “family culture ·happy culture”, built a three-dimensional training system covering all employees, and promoted the dual improvement of organizational learning ability and employee competence through hierarchical and classified customized training projects.

## Others

### *Amendments to the Articles of Association*

References are made to the announcement of the Company dated June 9, 2025, circular of the Company dated June 10, 2025 and the poll results announcement of the Company dated June 27, 2025 in relation to the 2025 second extraordinary general meeting of the Company, the class meeting for Shareholders of H Shares and the class meeting for Shareholders of domestic shares of the Company, convened for the purpose of amendments to the Company's articles of association in compliance with (i) certain new regulations imposed on companies incorporated in the PRC in connection with the requirement to formulate articles of association and corporate governance regulation; and (ii) the revised Company Law of the PRC listed companies to include provisions in their articles of association for establishing an audit committee under the Board to perform the original duties of the supervisory committee and to abolish the supervisory committee or supervisors.

The abovementioned amendments have been approved by the Shareholders by way of a special resolution at the 2025 second extraordinary general meeting of the Company, the class meeting for Shareholders of H Shares and the class meeting for Shareholders of domestic shares of the Company, and have become effective on June 27, 2025. Accordingly, the Company has abolished the supervisory committee on June 27, 2025. Each of the Supervisors of the Company has confirmed that he or she had no disagreement with the Board and there was no other matter that needed to be brought to the attention of the Stock Exchange or the Shareholders.

For details of the amendments to the Company's articles of association, please refer to the announcement of the Company dated June 9, 2025, circular of the Company dated June 10, 2025 and the poll results announcement of the Company dated June 27, 2025.

### *Company Secretary and Authorised Representative*

Reference is made to the announcement of the Company dated August 22, 2025. With effect from August 22, 2025, Mr. Wong Wai Chiu has resigned as a joint company secretary of the Company and one of the authorised representatives of the Company (the “**Authorised Representative**”) under Rule 3.05 of the Listing Rules. Mr. Yang Zhen meets the qualification of the company secretary under Rules 3.28 and 8.17 of the Listing Rules. Mr. Yang Zhen has acted as the sole company secretary of the Company with effect from August 22, 2025 and he was also appointed as the Authorised Representative with effect from the same date.

## **EVENTS AFTER THE REPORTING PERIOD**

With effect from January 30, 2026, the Company's principal place of business in Hong Kong has been changed to 17/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong. Moreover, (i) upon the expiry of the service agreement between the Company and SWCS Corporate Services Group (Hong Kong) Limited, Mr. Wong Wai Chiu ceased to act as an authorized representative of the Company for accepting service of process and notices on behalf of the Company in Hong Kong (the "**Process Agent**") under Rule 19A.13(2) of the Listing Rules and Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and (ii) Ms. Chan Lok Tung has been appointed as the Process Agent.

Save as disclosed above and elsewhere in this announcement, there were no other significant events affecting the Company nor any of its subsidiaries after the end of the Year and up to the date of this announcement requiring disclosure in this announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. The Group has adopted the code provisions in Part 2 of the Corporate Governance Code as its own code of corporate governance.

During the Year, the Group has applied the principles of good corporate governance and complied with all the code provisions as set out in Part 2 of the Corporate Governance Code.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as a code of conduct for securities transactions by the Directors.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Year.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Year. As of the end of the Year, no treasury shares were held by the Company.

## **AUDIT COMMITTEE**

The Company established the Audit Committee in compliance with Appendix C1 to the Listing Rules. The Audit Committee comprises two independent non-executive Directors, namely, Ms. Leung Bik San (chairlady of the Audit Committee), Ms. Chen Xiaojing and one non-executive Director, namely, Ms. Li Han. The principal responsibilities of the Audit Committee include the review and supervision of the Group's financial reporting process and risk management and internal control systems. The Audit Committee has reviewed the consolidated financial statements of the Group for the Year and considers that such consolidated financial statements are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

## **FINAL DIVIDEND**

The Board has resolved to recommend the distribution of a final dividend in cash of RMB0.0815 per share of the Company (before tax) for the year ended December 31, 2025 (2024: RMB0.1080).

## **2025 AGM**

The 2025 AGM will be convened and held on Friday, June 26, 2026. The notice of the 2025 AGM will be published on the Company's website ([www.lushangfuwu.com](http://www.lushangfuwu.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and provided to the Shareholders in the manner prescribed under the Listing Rules in due course.

## **Closure of Register of Members**

- (i) For the purpose of determining the Shareholders' entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, June 23, 2026 to Friday, June 26, 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the Shareholders to attend and vote at the 2025 AGM, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or to the registered office of the Company at Room 202, Block 2, Lushang Guo'ao City, No. 9777 Jingshi Road, Lixia District, Jinan, Shandong, PRC (for domestic Shareholders) no later than 4:30 p.m. on Monday, June 22, 2026 for registration. Shareholders whose names appear on the register of members of the Company on Friday, June 26, 2026 are entitled to attend and vote at the 2025 AGM.

*(ii) Payment of the Proposed Final Dividend*

For the purpose of determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, July 3, 2026 to Wednesday, July 8, 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the Shareholders to be entitled to the proposed final dividend, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or to the registered office of the Company at Room 202, Block 2, Lushang Guo'ao City, No. 9777 Jingshi Road, Lixia District, Jinan, Shandong, PRC (for domestic Shareholders) no later than 4:30 p.m. on Thursday, July 2, 2026 for registration. It is expected that the proposed final dividend, if approved by the Shareholders at the 2025 AGM, will be paid on or before Friday, July 31, 2026 to Shareholders whose names appear on the register of members of the Company on Wednesday, July 8, 2026.

**SCOPE OF WORK OF SHINEWING**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the Year as set out in this announcement have been agreed by the Company's independent auditor, ShineWing, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by ShineWing in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by ShineWing on this announcement.

**PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT**

This announcement is published on the websites of the Company ([www.lushangfuwu.com](http://www.lushangfuwu.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the Year will be provided to the Shareholders and will be made available on the websites of the Company and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2025 AGM”	the 2025 annual general meeting of the Company to be convened and held on June 26, 2026
“associate”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Change of UOP Announcement”	the announcement of the Company dated December 19, 2025, in relation to, amongst other things, the Proposed Change
“China” or “PRC”	the People’s Republic of China
“Company”	Lushang Life Services Co., Ltd. (魯商生活服務股份有限公司) (formerly known as Shandong Lushang Property Services Co., Ltd. (山東魯商物業服務有限公司)), a company established in the PRC with limited liability on March 24, 2006 and converted into a joint stock company with limited liability on March 12, 2021 and the H Shares of which are listed on the Stock Exchange (stock code: 2376)
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Director(s)”	the directors of the Company
“GFA”	gross floor area
“Group”, “we”, “our” or “us”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Shares”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Main Board of the Stock Exchange and subscribed for and traded in Hong Kong dollars
“Listing”	the listing of the H Shares on the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Proposed Change”	the proposed revision or reallocation for the intended use of the Net Proceeds together with revision of the intended timetable for use of the Unutilised Proceeds
“Prospectus”	the prospectus of the Company dated June 27, 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“ShineWing”	ShineWing Certified Public Accountants (Special General Partnership) (信永中和會計師事務所(特殊普通合夥)), the auditor of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“treasury shares”	has the meaning ascribed to it under the Listing Rules

“Urban Garden” Shandong Urban Garden Engineering Co., Ltd.\* (山東城發園林工程有限公司) (formerly known as Shandong Blue Shore Garden Engineering Co., Ltd.\* (山東藍岸園林工程有限公司), a company incorporated in the PRC with limited liability and a former subsidiary of the Company

“Year” the year ended December 31, 2025

By order of the Board  
**Lushang Life Services Co., Ltd.**  
**Mr. WANG Zhongwu**  
*Chairman and Non-executive Director*

Jinan, the PRC, March 27, 2026

*As at the date of this announcement, the Board comprises Mr. NING Daoju and Mr. SHAO Meng as executive Directors, Mr. WANG Zhongwu as Chairman and non-executive Director, Ms. LUO Ye and Ms. LI Han as non-executive Directors, and Ms. LEUNG Bik San, Ms. CHEN Xiaojing and Mr. MA Tao as independent non-executive Directors.*

*\* For identification purpose only*