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SUNOY 宋服務

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Sundy Service Group Co. Ltd

宋都服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9608)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of the directors (the “**Directors**”) of Sundy Service Group Co. Ltd (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**” or “**FY2025**”), together with the comparative figures for the year ended 31 December 2024 (“**FY2024**”). The annual results of the Group for the Reporting Period have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board on 31 March 2026.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

RESULTS HIGHLIGHTS

HIGHLIGHTS

Financial performance of the Group

- Revenue was RMB231.4 million in FY2025, representing a decrease of 6.5% as compared with RMB247.5 million in FY2024.

- Revenue generated from our four business lines are as follows: (i) revenue from property management services was RMB187.8 million in FY2025, accounting for 81.2% of total revenue, representing a decrease of 4.3% as compared with RMB196.2 million in FY2024; (ii) revenue from value-added services to non-property owners was RMB6.4 million in FY2025, accounting for 2.8% of total revenue, representing a decrease of 49.6% as compared with RMB12.7 million in FY2024; (iii) revenue from community value-added services was RMB18.3 million in FY2025, accounting for 7.9% of total revenue, representing a decrease of 2.7% as compared with RMB18.8 million in FY2024; and (iv) revenue from other businesses was RMB18.9 million in FY2025, accounting for 8.1% of total revenue, representing a decrease of 5.0% as compared with RMB19.9 million in FY2024.
- Gross profit was RMB67.8 million in FY2025, representing an increase of 18.1% as compared with RMB57.4 million in FY2024. Gross profit margin was 29.3% in FY2025, representing a growth of 6.1 percentage points as compared with 23.2% in FY2024.
- Profit for the year in FY2025 was RMB17.4 million, representing an increase of 123.1% as compared with RMB7.8 million in FY2024, mainly due to the decrease in administrative expenses and costs.
- As at 31 December 2025, cash and cash equivalents were RMB139.3 million, representing a year-on-year decrease of 20.4% as compared with RMB175.0 million as at 31 December 2024.
- As at 31 December 2025, gross floor area (“GFA”) under management for property management services of the Group was 8.4 million sq.m., maintaining stable as compared with approximately 8.4 million sq.m. as at 31 December 2024. As of 31 December 2025, contracted GFA of the Group was 9.6 million sq.m..
- The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	231,411	247,549
Cost of sales and services rendered		<u>(163,578)</u>	<u>(190,117)</u>
Gross profit		67,833	57,432
Interest income		1,022	2,028
Other income	5	698	922
Other gains, net	6	3,304	1,725
Selling and marketing expenses		(1,099)	(954)
Administrative expenses		(23,132)	(28,058)
Impairment loss on trade receivables		(16,853)	(19,824)
Provision for impairment of properties held for sale		(5,355)	–
Share of loss of joint ventures		–	(1,253)
Share of (loss)/profit of an associate		(153)	506
Finance costs	7	<u>(84)</u>	<u>(84)</u>
Profit before taxation		26,181	12,440
Income tax expense	8	<u>(8,827)</u>	<u>(4,648)</u>
Profit for the year	9	<u>17,354</u>	<u>7,792</u>
Other comprehensive (expense)/income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of the Company		<u>(2,784)</u>	<u>(237)</u>
		<u>(2,784)</u>	<u>(237)</u>
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		<u>2,852</u>	<u>(2,976)</u>
		<u>2,852</u>	<u>(2,976)</u>
Total comprehensive income for the year		<u><u>17,422</u></u>	<u><u>4,579</u></u>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year attributable to:			
Owners of the Company		17,311	2,941
Non-controlling interests		43	4,851
		<u>17,354</u>	<u>7,792</u>
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		17,379	(272)
Non-controlling interests		43	4,851
		<u>17,422</u>	<u>4,579</u>
Earnings per share			
– Basic (<i>RMB cents</i>)	<i>10</i>	<u>0.45</u>	<u>0.08</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		9,437	18,210
Intangible assets		58	64
Investments in joint ventures		–	900
Investment in an associate		–	5,927
Financial assets at fair value through profit or loss	13	16,000	–
Other receivable	12	3,500	–
Deferred tax assets		16,056	12,629
		45,051	37,730
Current assets			
Inventories		204	188
Properties held for sale		147,372	145,461
Trade and other receivables	12	197,191	170,273
Financial assets at fair value through profit or loss	13	24,800	6,005
Restricted bank balances		18,970	14,902
Cash and cash equivalents		139,344	175,033
		527,881	511,862
Current liabilities			
Contract liabilities		25,147	25,940
Advances from lessees		137	95
Trade and other payables	14	126,964	123,013
Current taxation		10,094	7,376
		162,342	156,424
Net current assets		365,539	355,438
TOTAL ASSETS LESS CURRENT LIABILITIES		410,590	393,168
NET ASSETS		410,590	393,168
Capital and reserves			
Share capital		254	254
Reserves		401,169	383,790
Equity attributable to owners of the Company		401,423	384,044
Non-controlling interests		9,167	9,124
TOTAL EQUITY		410,590	393,168

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Sundy Service Group Co. Ltd (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 5 May 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 18 January 2021. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of the annual report.

The Company is an investment holding company. The Company and its subsidiaries are collectively referred to as the “**Group**”.

The consolidated financial statements are presented in Renminbi (“**RMB**”). RMB is the functional currency of the Company’s subsidiaries established in the People’s Republic of China (the “**PRC**”). The functional currency of the Company and the Company’s subsidiaries outside the mainland China are Hong Kong dollars (“**HKD**”). The Group translates the financial statements of the Company and the Company’s subsidiaries outside mainland China from HKD into RMB.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

In the current year, the Group has applied the following amendments to IFRS Accounting Standards (“**IFRSs**”) (which include all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and interpretations) as issued by the International Accounting Standards Board (the “**IASB**”) that are mandatorily effective for its accounting year beginning on or after 1 January 2025 for the preparation of the Group’s consolidated financial statements:

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

New and amendments to IFRSs in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹
IFRS 18 and consequential amendments to other IFRSs	Presentation and Disclosure in Financial Statements ²
IFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

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

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

The amendments to IFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in IFRS 7 Financial Instruments: Disclosures in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. As a result of the clarification made by the amendments on the derecognition of financial assets and liabilities, the Company can only derecognise financial assets and financial liabilities settled via cheques on the date the cheques have been cleared in the recipient's/creditor's bank account.

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. REVENUE

The principal activities of the Group are the provision of property management services, value-added services to non-property owners, community value-added services, and other business.

Revenue represents income from property management services, value-added services to non-property owners, community value-added services and income from hotel business.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers:		
Property management services	187,815	196,186
Value-added services to non-property owners	6,393	12,686
Community value-added services	18,332	18,787
Hotel business		
– Rooms operation services	15,469	18,208
– Sales of food and beverage	1,522	107
	<u>229,531</u>	<u>245,974</u>
Revenue from other sources:		
Hotel business		
– Leasing of commercial shopping arcades (<i>Note (ii)</i>)	1,880	1,575
	<u>1,880</u>	<u>1,575</u>
Total revenue	<u><u>231,411</u></u>	<u><u>247,549</u></u>
Type of customers:		
External customers	188,497	201,440
Related parties	41,034	44,534
	<u><u>229,531</u></u>	<u><u>245,974</u></u>

Notes:

- (i) For the year ended 31 December 2025, the revenue from Hangzhou Xingfu Jian Holdings Co., Ltd (“**Xingfu Jian Holdings**”) and its subsidiaries (collectively, “**Xingfu Jian Holdings Group**”), related parties of the Group, accounted for 14% (2024: 16%) of the Group’s revenue. The Group has a large number of customers in addition to Xingfu Jian Holdings Group, but none of them accounted for 10% or more of the Group’s revenue during the years ended 31 December 2025 and 2024.
- (ii) Leasing of commercial shopping arcades represent lease income relating to variable lease payments, which are based on its revenue from hotel operation and rental income.

Disaggregation of revenue from contracts with customers:

The major operating entities of the Group are domiciled in the PRC. Accordingly, all the Group's revenue was derived in the PRC for the years ended 31 December 2025 and 2024.

	Property management services <i>RMB'000</i>	Value-added services to non-property owners <i>RMB'000</i>	Community value-added services <i>RMB'000</i>	Hotel business – rooms operation services and sales of food and beverage <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended 31 December 2025					
Timing of revenue recognition					
At a point in time	–	–	–	1,522	1,522
Over time	187,815	6,393	18,332	15,469	228,009
	<u>187,815</u>	<u>6,393</u>	<u>18,332</u>	<u>16,991</u>	<u>229,531</u>
For the year ended 31 December 2024					
Timing of revenue recognition					
At a point in time	–	–	–	107	107
Over time	196,186	12,686	18,787	18,208	245,867
	<u>196,186</u>	<u>12,686</u>	<u>18,787</u>	<u>18,315</u>	<u>245,974</u>

Revenue expected to be recognised in the future arising from the remaining performance obligation (unsatisfied or partially unsatisfied) at the end of respective periods

For property management services and value-added services to non-property owners, the Group recognises revenue in the amount to which the Group has the right to invoice that corresponds directly with the value of the performance completed to date. The Group has elected the practical expedient whereby it does not disclose the remaining performance obligations for these types of contracts. The majority of the property management agreements do not have a fixed term. The terms of the contracts for value-added services to non-property owners are generally set to expire when the counterparties notify the Group that the services are no longer required and has an original expected duration of one year or less. For community value-added services and rooms operation services in hotel business, services are rendered in a short period of time. For sales of food and beverage in hotels, the performance obligation is satisfied when the control of the food and beverage products is transferred, being at the point when the customer purchases the food and beverage items.

As permitted under IFRS 15, the Group does not disclose the remaining performance obligations for these types of contracts with reasons as disclosed above.

4. SEGMENT INFORMATION

(a) Segment Reporting

The Group manages its businesses by divisions, which are organised by business lines, including property management services and the corresponding value-added services, and hotel business. In a manner consistent with the way in which information is reported internally to the Group's CODM for the purposes of resource allocation and performance assessment, the Group has presented the following segments.

- Property management services and the corresponding value-added services: this segment includes revenue generated from property management services, value-added services to non-property owners and community value-added services, including consulting and pre-delivery service, and other services.
- Hotel business services: this segment includes revenue generated from hotel rooms operation services, leasing of commercial shopping arcades located within the hotel buildings, as well as provision of food and beverage and ancillary services in such premises.

(b) Segment Results, Assets and Liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets managed directly by the segments. Segment liabilities include all contract liabilities, trade and other payables, lease liabilities and other liabilities attributable to the business operation and managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The measure used for reporting segment profit is profit before taxation. In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment sales), interest income, interest expenses, depreciation and amortisation, loss on disposal of a subsidiary, written off of property, plant and equipment, impairment losses, share of (loss)/profit arising from the activities of the Group's joint ventures and an associate, gain on disposal of investment in an associate, income tax expense, investment in joint ventures, investment in an associate and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Segment revenue and results

For the year ended 31 December 2025

	Property management services and the corresponding value-added services RMB'000	Hotel business services RMB'000	Total RMB'000
Revenue from external customers	212,540	18,871	231,411
Inter-segment sales	<u>–</u>	<u>–</u>	<u>–</u>
Reportable segment revenue	<u>212,540</u>	<u>18,871</u>	<u>231,411</u>
Segment profit	<u>24,382</u>	<u>1,799</u>	<u>26,181</u>

For the year ended 31 December 2024

	Property management services and the corresponding value-added services RMB'000	Hotel business services RMB'000	Total RMB'000
Revenue from external customers	227,659	19,890	247,549
Inter-segment sales	<u>–</u>	<u>–</u>	<u>–</u>
Reportable segment revenue	<u>227,659</u>	<u>19,890</u>	<u>247,549</u>
Segment profit	<u>8,913</u>	<u>3,527</u>	<u>12,440</u>

Segment assets and liabilities

As at 31 December 2025

	Property management services and the corresponding value-added services <i>RMB'000</i>	Hotel business services <i>RMB'000</i>	Reconciling items <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	<u>554,059</u>	<u>18,873</u>	<u>–</u>	<u>572,932</u>
Segment liabilities	<u>155,943</u>	<u>6,399</u>	<u>–</u>	<u>162,342</u>

As at 31 December 2024

	Property management services and the corresponding value-added services <i>RMB'000</i>	Hotel business services <i>RMB'000</i>	Reconciling items <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	<u>535,776</u>	<u>13,816</u>	<u>–</u>	<u>549,592</u>
Segment liabilities	<u>153,260</u>	<u>3,164</u>	<u>–</u>	<u>156,424</u>

Other segment information

For the year ended 31 December 2025	Property management services and the corresponding value-added services RMB'000	Hotel business services RMB'000	Total RMB'000
Depreciation of property, plant and equipment	(6,753)	(2,180)	(8,933)
Amortisation of intangible assets	–	(6)	(6)
Written off of property, plant and equipment	(18)	–	(18)
Interest income	933	89	1,022
Interest expenses	(84)	–	(84)
Impairment loss on trade receivables	(16,322)	(531)	(16,853)
Provisions for impairment of properties held for sale	(5,355)	–	(5,355)
Share of loss of an associate	(153)	–	(153)
Gain on disposal of investment in an associate	226	–	226
Income tax expense	(8,276)	(551)	(8,827)
Additions to non-current assets	<u>74</u>	<u>104</u>	<u>178</u>

For the year ended 31 December 2024	Property management services and the corresponding value-added services RMB'000	Hotel business services RMB'000	Total RMB'000
Depreciation of property, plant and equipment	(6,832)	(2,161)	(8,993)
Amortisation of intangible assets	(588)	(75)	(663)
Loss on disposal of a subsidiary	(1,657)	–	(1,657)
Interest income	2,004	24	2,028
Interest expenses	(84)	–	(84)
Impairment loss on trade receivables	(19,741)	(83)	(19,824)
Share of loss of joint ventures	(1,253)	–	(1,253)
Share of profit of an associate	506	–	506
Income tax expense	(4,470)	(178)	(4,648)
Investment in joint ventures	900	–	900
Investment in an associate	5,927	–	5,927
Additions to non-current assets	<u>522</u>	<u>73</u>	<u>595</u>

Information about non-current assets

The Group's non-current assets, excluding financial assets at fair value through profit or loss and other receivable, were located in the PRC at the end of each reporting period.

5. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants	698	899
Others	–	23
	<u>698</u>	<u>922</u>

6. OTHER GAINS, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Exchange gain	1,854	–
Net gain on early termination of a right-of-use asset	–	10
Gain on change in fair value on financial assets at fair value through profit or loss	730	3,496
Loss on disposal of a subsidiary	–	(1,657)
Gain on disposal of investment in a joint venture	–*	–
Gain on disposal of investment in an associate	226	–
Loss on disposal of property, plant and equipment	(18)	–
Others	512	(124)
	<u>3,304</u>	<u>1,725</u>

* *Less than RMB1,000*

7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expense to a related party	84	84
	<u>84</u>	<u>84</u>

8. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax – PRC Enterprise Income Tax (“EIT”) – Provision for the year	12,254	8,490
Deferred tax	(3,427)	(3,842)
	<u>8,827</u>	<u>4,648</u>

Note:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax is calculated under two-tier profits tax system where the first HK\$2 million of estimated assessable profits is taxed at a reduced rate of 8.25% and the remaining of estimated assessable profits is taxed at 16.5%. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to the tax during the years ended 31 December 2025 and 2024.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. During the year, certain subsidiaries of the Group are entitled to a preferential income tax rate of 20% (2024: 20%) for small and micro enterprises with the first RMB1 million of annual taxable income eligible for 75% (2024: 75%) reduction and the income between RMB1 million and RMB3 million eligible for 75% (2024: 75%) reduction.

9. PROFIT FOR THE YEAR

The Group’s profit for the year is stated after charging the following:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Cost of inventories recognised as an expense	747	958
Auditor’s remuneration		
– audit services	1,400	1,400
– non-audit services	300	300
Depreciation of property, plant and equipment	8,933	8,993
Amortisation of intangible assets	6	663
Expenses related to short-term lease	552	128
Variable lease payments not included in the measurement of lease liabilities	4,561	4,546
Impairment loss on trade receivables (<i>Note (i)</i>)	16,853	19,824
Written off of property, plant and equipment	18	–
Directors’ remuneration	2,908	1,910
Other staff costs	43,786	51,467
Retirement benefits scheme contributions, excluding directors (<i>Note (ii)</i>)	6,735	7,272
Total staff costs	53,429	60,649

Notes:

- (i) Impairment loss on trade receivables includes provision of loss allowance of related parties of approximately RMB20,180,000 (2024: RMB10,965,000) and reversal of loss allowance of independent third parties of approximately RMB3,327,000 (2024: provision of loss allowance of RMB8,859,000) for the year ended 31 December 2025.
- (ii) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution scheme administered and operated by the local municipal governments. The Group's PRC subsidiaries contribute funds to the scheme to fund the retirement benefits of the employees. The contributions are calculated based on a certain percentage of the employees' salaries as agreed by the local municipal governments. The Group's PRC subsidiaries and its employees are required to make monthly contributions. The only obligation of the Group with respect to the defined contribution scheme is to make the required contribution to the scheme. There is no forfeited contribution under the defined contribution scheme available to reduce the existing level of contributions in future years.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the profit for the year attributable to the owners of the Company of approximately RMB17,311,000 (2024: RMB2,941,000) and on the weighted average number of shares in issue during the year of approximately 3,840,000,000 (2024: 3,840,000,000).

The calculation of the basic earnings per share is based on the following:

	2025 RMB'000	2024 <i>RMB'000</i>
Earnings:		
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<u>17,311</u>	<u>2,941</u>
	2025 Number of shares	2024 <i>Number</i> <i>of shares</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>3,840,000,000</u>	<u>3,840,000,000</u>

No diluted earnings per share is presented as the Company had no potential ordinary shares outstanding for the years ended 31 December 2025 and 2024.

11. DIVIDENDS

The Board of Directors does not recommend the payment of any dividend for the years ended 31 December 2025 and 2024.

12. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
– Related parties	90,853	71,114
– Third parties	141,256	124,163
Less: loss allowance	<u>(69,579)</u>	<u>(52,726)</u>
	<u>162,530</u>	<u>142,551</u>
Other debtors		
– Related parties	9,537	5,538
– Third parties	<u>22,928</u>	<u>16,204</u>
	<u>32,465</u>	<u>21,742</u>
Deposits and prepayments		
– Others	<u>5,696</u>	<u>5,980</u>
	<u>200,691</u>	<u>170,273</u>
Non-current portion	<u>(3,500)</u>	<u>–</u>
Current portion	<u><u>197,191</u></u>	<u><u>170,273</u></u>

Notes:

Trade receivables are primarily related to revenue recognised from the provision of property management services, value-added services to non-property owners, community value-added services and hotel business.

As at 1 January 2024, trade receivables from contract with customers amounted to approximately RMB202,276,000 (net of loss allowance of approximately RMB32,996,000).

The allowances for doubtful debts of approximately RMB60,282,000 (2024: RMB52,504,000) and RMB9,297,000 (2024: RMB222,000) for trade receivables recognised as at 31 December 2025, were made at each reporting date with reference to an expected credit loss assessment provided by an independent professional valuer, based on a collective group basis assessment by ageing of trade receivables and individual assessment respectively.

The ageing analysis of trade receivables based on the date of revenue recognition and net of loss allowance is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Related parties		
0 to 180 days	19,926	19,736
181 to 365 days	14,105	22,329
1 to 2 years	23,782	16,189
Third parties		
0 to 180 days	74,544	48,827
181 to 365 days	20,912	31,693
1 to 2 years	9,261	3,777
	<hr/>	<hr/>
Total	162,530	142,551
	<hr/> <hr/>	<hr/> <hr/>

Trade receivables are due when the receivables are recognised.

On 26 March 2024, the Company entered into the acquisition of properties and debts settlement framework agreement with Sundy Land Group (as defined in the circular of the Company dated 24 May 2024), an associate of Mr. Yu Jianwu (“**Mr. Yu**”), which is a connected person of the Company (the “**Acquisition of Properties and Debts Settlement Framework Agreement**”). Pursuant to the Acquisition of Properties and Debts Settlement Framework Agreement, the Company agreed to acquire and Sundy Land Group agreed to dispose of the Settlement Properties (as defined in the circular of the Company dated 24 May 2024) in an aggregate consideration of RMB100,050,000, which shall be offset against the total amount of trade receivables under the Property Managements and the Service Agreements for the year ended 31 December 2023, which were due and remained outstanding as at 26 March 2024 on a dollar-for-dollar basis. The transaction was approved by the independent shareholders of the Company at the extraordinary general meeting held on 14 June 2024. The Settlement Properties acquired by the Group to offset the trade receivables, which constitutes a major non-cash transaction, were transferred to the Group during the last quarter of 2024. Details of the Acquisition of Properties and Debts Settlement Framework Agreement were disclosed in the circular of the Company dated 24 May 2024.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current		
Unlisted equity investment in the PRC (<i>Note (i)</i>)	<u>16,000</u>	<u>–</u>
Current		
Wealth Management Product (<i>Note (ii)</i>)	<u>24,800</u>	<u>6,005</u>

Notes:

- (i) The unlisted equity investment represented the Group's 2.54% equity interest in a private entity established in the PRC and the Group does not intend to dispose of it within twelve months from the end of the reporting period. The principal activities of the unlisted equity investment are (i) provision of health consultancy services (excluding medical treatment and clinical services); and (ii) sales of daily necessities, packaging materials and products, Class I medical devices, sanitary ware, instruments; (iii) sales of apparatuses, chemical products (excluding licensed chemical products), and disinfectants (excluding hazardous chemicals), and (iv) internet sales and domestic freight forwarding agency services.
- (ii) On 16 December 2024, Hangzhou Sundry Jiahe Hotel Management Co., Ltd. ("**Sundry Jiahe**") entered into an agency sales agreement for institutional wealth management product with Bank of Hangzhou Co., Ltd* (杭州銀行股份有限公司) ("**Hangzhou Bank**"), pursuant to which Sundry Jiahe agreed to subscribe for the Bank of Hangzhou Wealth Management Happiness 99 tianyi 7-day Wealth Management Product (杭銀理財幸福99添益(安享優選)7天持有期理財) offered by Hangying Wealth Management Co., Ltd* (杭銀理財有限責任公司) (the "**Hangying Wealth Management Product**") in an aggregate amount of RMB6,000,000 using internal resources. The Hangying Wealth Management Product has non-fixed term, the expected annualised rate of return is 1.80% to 2.95% (non-guaranteed). Sundry Jiahe redeemed the Hangying Wealth Management Product on 17 April 2025 and the total gain investment was approximately RMB36,000 with an average annualised rate of return of approximately 1.73%.

On 22 December 2025, Hangzhou Xingrun Enterprise Management Co., Ltd. ("**Hangzhou Xingrun**") entered into an agency sales agreement for institutional wealth management product with China Minsheng Banking Corp., Ltd.* (中國民生銀行股份有限公司) ("**China Minsheng Bank**"), pursuant to which Hangzhou Xingrun agreed to subscribe for the Ju Ying Gold – Linked to Gold AU9999 Bullish Ternary Structured Deposit (SDGA253757V) (聚贏黃金-掛鈎黃金 AU9999看漲三元結構性存款 (SDGA25375TV)) offered by China Minsheng Banking Corp., Ltd.* (中國民生銀行股份有限公司) (the "**Minsheng Structured Deposit**") in an aggregate amount of RMB24,800,000 using internal resources. The Minsheng Structured Deposit has a term of 90 days, the expected annualised rate of return is 1.0% to 1.92% (non-guaranteed). Hangzhou Xingrun subsequently redeemed the Minsheng Structured Deposit on 23 March 2026 and the total gain investment was approximately RMB105,179 with an average annualised rate of return of approximately 1.72%.

* For identification purpose only

14. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Trade payables			
– Related parties	<i>(a)</i>	5,539	1,897
– Third parties	<i>(b)</i>	38,608	50,319
		<u>44,147</u>	<u>52,216</u>
Other payables			
– Related party		12,866	2,276
– Deposits		6,002	5,714
– Other taxes and surcharges payable		565	19
– Cash collected on behalf of the property owners' associations		16,903	14,305
– Temporary receipts from property owners		21,177	23,964
– Others		8,993	8,811
		<u>66,506</u>	<u>55,089</u>
Accrued payroll and other benefits		<u>16,311</u>	15,708
		<u>126,964</u>	<u>123,013</u>

Notes:

- (a) The credit period granted by related parties (trade nature) to the Group ranges from 30 days to 90 days. The amounts due to related parties are unsecured and interest-free.
- (b) Trade payables mainly represent payables arising from sub-contracting services including cleaning, security, landscaping and maintenance services provided by suppliers. The credit period granted by third party suppliers to the Group ranges from 30 to 90 days during the years ended 31 December 2025 and 2024.

The ageing analysis of trade payables, based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Related parties		
Within 1 year	5,539	1,897
Third parties		
Within 1 year	21,689	28,899
After 1 year but within 2 years	5,982	3,060
After 2 years but within 3 years	994	9,361
Over 3 years	9,943	8,999
	<u>44,147</u>	<u>52,216</u>

15. EVENTS AFTER THE REPORTING PERIOD

- On 13 January 2026, Hangzhou Sundy Property Management Co., Ltd.* (杭州宋都物業經營管理有限公司) (“**Sundy Property**”), an indirect wholly-owned subsidiary of the Company, entered into a structured deposit product agreement Hangzhou Bank, pursuant to which Sundy Property agreed to subscribe for a structured deposit product of RMB12.0 million from Hangzhou Bank by using the internal funds of the Group. Details of the structured deposit product were disclosed in the announcement of the Company dated 13 January 2026.
- On 15 January 2026, Hangzhou Qiyu Life Services Co., Ltd.* (杭州啟寓生活服務有限公司) (“**Hangzhou Qiyu**”), and Zhejiang Hechen Enterprise Management Co., Ltd.* (浙江和辰企業管理有限公司) (“**Zhejiang Hechen**”), both of which are indirect wholly-owned subsidiaries of the Company, entered into structured deposit product agreements with China Minsheng Bank, pursuant to which Hangzhou Qiyu and Zhejiang Hechen agreed to subscribe for structured deposit products of RMB9.9 million and RMB16.0 million, respectively, from China Minsheng Bank using the internal funds of the Group. Details of the structured deposit product were disclosed in the announcement of the Company dated 15 January 2026.
- On 31 March 2026, Hangzhou Xingrun Enterprise Management Co., Ltd.* (杭州興潤企業管理有限公司) (“**Hangzhou Xingrun**”), an indirect wholly-owned subsidiary of the Company, entered into a structured deposit product agreement with China Minsheng Bank Co., Ltd. (“**Minsheng Bank**”), pursuant to which, Hangzhou Xingrun agreed to subscribe for a structured deposit product of RMB25.0 million from Minsheng Bank by using the internal funds of the Group. Details of the structured deposit product were disclosed in the announcement of the Company dated 31 March 2026.

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a reputable integrated property management service provider in the property management industry in Zhejiang province. Established in Hangzhou in 1995, the Group has three decades of experience in the property management service industry in the PRC. The Group is principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services and other services. The Group's business covers a wide range of properties, including residential properties and non-residential properties, such as commercial office buildings, city complexes and industrial parks.

According to EH Consulting (億瀚智庫), the Group ranked 39th among the "Top 100 Chinese Property Service Enterprises" in 2025 in terms of comprehensive strength in property management. Additionally, we were honoured by EH Consulting with prestigious titles including "2025 Leading Enterprise in Competitiveness for Property Services in Hangzhou, China", "2025 Top 50 Best Employers in China's Property Management Industry" and "2025 Exemplary Employer in Hangzhou's Property Management Industry".

As at 31 December 2025, the Group had 21 subsidiaries and 27 branches covering 20 cities in the PRC, the majority of which are located in Zhejiang province, providing property management services to 47 properties, including 36 residential properties and 11 non-residential properties, with a total GFA under management of approximately 8.4 million sq.m. and a total contracted GFA of 9.6 million sq.m..

The table below sets forth the changes in the GFA under management and number of managed projects of the Group as at 31 December 2025 and 2024, respectively:

	As at 31 December	
	2025	2024
GFA under management ('000 sq.m.)	8,442	8,367
Number of managed projects	47	52

The table below sets forth a breakdown of revenue by business line of the Group in FY2025 and FY2024, respectively:

	For the year ended 31 December			
	2025		2024	
	(RMB'000)	%	(RMB'000)	%
Property management services	187,815	81.2	196,186	79.3
Value-added services to non-property owners	6,393	2.8	12,686	5.1
Community value-added services	18,332	7.9	18,787	7.6
Other businesses	18,871	8.1	19,890	8.0
Total	231,411	100.0	247,549	100.0

Property management services

During the Reporting Period, the Group was committed to strengthening its position in the field of property management services and focused on acquiring more projects related to old residential areas in Hangzhou.

The table below sets forth the total revenue from property management services for FY2025 and FY2024, respectively and GFA under management by type of properties as at 31 December 2025 and 2024, respectively:

	As at/for the year ended 31 December							
	2025		2024		2025		2024	
	Revenue	GFA under management	Revenue	GFA under management	Revenue	GFA under management	Revenue	GFA under management
	(RMB'000)	% ('000 sq.m.)	(RMB'000)	% ('000 sq.m.)	(RMB'000)	% ('000 sq.m.)	(RMB'000)	% ('000 sq.m.)
Residential Properties	133,149	70.9	7,173	85.0	137,745	70.2	7,098	84.8
Non-residential Properties	54,666	29.1	1,269	15.0	58,441	29.8	1,269	15.2
Total	187,815	100.0	8,442	100.0	196,186	100.0	8,367	100.0

The table below sets forth the breakdown of the total revenue from property management services for FY2025 and FY2024, respectively and GFA under management by type of property developers as at 31 December 2025 and 2024, respectively:

	As at/for the year ended 31 December							
	2025				2024			
	Revenue (RMB'000)	%	GFA under management ('000 sq.m.)	%	Revenue (RMB'000)	%	GFA under management ('000 sq.m.)	%
Properties solely developed and co-developed by Sundy Land Group (Note 1)	157,794	84.0	6,750	80.0	164,464	83.8	6,675	79.8
Properties developed by independent third-party property developers	30,021	16.0	1,692	20.0	31,722	16.2	1,692	20.2
Total	187,815	100.0	8,442	100.0	196,186	100.0	8,367	100.0

Note 1: Sundy Land Group includes Sundy Land Investment Co., Ltd.* (宋都基業投資股份有限公司) and its subsidiaries.

Value-added services to non-property owners

Value-added services to non-property owners covered development, construction, design and other processes of properties, which were mainly provided to non-property owners such as real estate developers. During the Reporting Period, the Group recorded RMB6.4 million, representing a decrease of 49.6% compared to RMB12.7 million in FY2024. The decrease was mainly due to the decrease in the number of the newly-entered real estate projects in the pipeline.

The Group benefited from the long-term cooperation with Sundy Land Group to acquire projects for value-added services to non-property owners. As at 31 December 2025, the recovered GFA was approximately 1.2 million sq.m..

Community value-added services

The Group actively developed community value-added services and created diversified life service scenarios based on the living needs of residents.

During the Reporting Period, the revenue from community value-added services reached RMB18.3 million, which was mainly from property repair and maintenance, waste cleaning, utility fee collection, community space services and retailing business.

Other business

The Group continued to operate Atour Hotel Hangzhou West Lake Hefang Street* (杭州西湖河坊街亞朵酒店) through its operating subsidiary, Hangzhou Sundry Jiahe Hotel Management Co., Ltd.* (杭州宋都嘉和酒店管理有限公司) (“**Sundry Jiahe**”). Revenue from the hotel business for FY2025 reached RMB18.9 million, which was primarily generated from hotel room charges, food services and sales of personal care products.

Prospects

2025 represents a clear turning point for China’s real estate industry. The property management industry has shifted from a model dominated by “scale first” to one that prioritises “quality and efficiency”. In this challenging environment, the Group has proactively aligned with the prevailing industry trends by deepening our property services around the core values of “Professionalism, Quality, and Warmth”, so as to strategically position itself amid evolving environment to identify and capture new growth opportunities.

Efforts will be dedicated to the following key areas:

Continuous optimisation of management models

In 2026, we will implement the inverted pyramid management model, fundamentally reshaping the Company’s organisational structure to empower frontline teams and bring resources closer to our customers. We will continue to place talent development at the core of our strategy, enhancing workforce capabilities, upgrading our talent pool, strengthening employee training programs and unlocking individual potential, thereby driving improvements in both quality and efficiency.

Continuous elevation of service quality

The Group remains steadfastly customer-centric and focusing on responding to customer needs. We are strengthening three key service mindsets: proactive service anticipation, closed-loop accountability and lean operations excellence. Better service experience will be provided to customers due to the shift from passive response to anticipatory and forward-looking service delivery.

Continuous advancement of digital and intelligent empowerment

The Group remains committed to deepening digital intelligence empowerment by rigorously implementing the strategy of integrating “Internet+” with “Property+”. We will drive more precise and practical application of technology, actively explore innovative models such as human-machine collaboration, and achieve meaningful optimisation of operating costs and improvement of service experience.

Financial Review

Revenue

In FY2025, the Group's revenue amounted to RMB231.4 million, representing a decrease of 6.5% as compared to RMB247.5 million in FY2024.

Property management services: Property management services primarily consist of security, cleaning, gardening, repair and maintenance of common areas and common facilities and ancillary services. The portfolio of the Group's managed properties comprises residential properties and non-residential properties. The Group recorded revenue of RMB187.8 million in FY2025, representing a year-on-year decrease of 4.3% as compared to RMB196.2 million in FY2024, accounting for 81.2% of the Group's total revenue in FY2025, which is the main source of revenue for the Group. The decline in revenue was mainly attributable to the reduction in the number of properties under management of the Group.

Value-added services to non-property owners: Value-added services to non-property owners are a range of value-added services the Group provides to non-property owners, primarily property developers. These services mainly include (i) consulting services, including advising property developers and property owners at the early and construction stages on project planning, design management and construction management; (ii) sales assistance services, which assist property developers in showcasing and marketing their properties, including display unit management and visitor reception for property development projects; and (iii) pre-delivery services, including unit cleaning before delivery, inspection services and security services for completed properties. The Group recorded revenue of RMB6.4 million in FY2025, representing a decrease of 49.6% as compared to RMB12.7 million in FY2024, accounting for 2.8% of the Group's total revenue in FY2025. The decrease in revenue was due to the continuing declining trend in the number of newly-entered real estate projects in the pipeline.

Community value-added services: Community value-added services are a spectrum of community value-added services the Group provides to customers, primarily property owners and residents, including property repair and maintenance, waste cleaning, utility fee collection, remodeling and decoration and community space services. The Group recorded revenue of RMB18.3 million in FY2025, representing a year-on-year decrease of 2.7% as compared to RMB18.8 million in FY2024, accounting for 7.9% of the Group's total revenue in FY2025. The revenue generated from community value-added services remained stable as compared with FY2024 as a result of the sustainable community value-added services to the projects under management.

Other businesses: Other businesses include our hotel business and long-term rental apartment business. The Group recorded revenue of RMB18.9 million in FY2025, representing a year-on-year decrease of 5.0% as compared to RMB19.9 million in FY2024, accounting for 8.1% of the Group's total revenue in FY2025. The slight decline in revenue from other businesses resulted from the impact of normal commercial competition in the field of the tourism industry.

Cost of sales

During the Reporting Period, the Group's cost of sales decreased by 13.9% from RMB190.1 million in FY2024 to RMB163.6 million in FY2025, primarily attributable to the Group's proactive exit from low-yield projects and the implementation of a revenue-driven cost management framework, which led to a reduction in project-related manpower and administrative expenses.

Gross profit and gross profit margin

Based on the above factors, during the Reporting Period, the Group's overall gross profit increased by 18.1% from RMB57.4 million in FY2024 to RMB67.8 million in FY2025. The Group's gross profit margin increased by 6.1 percentage points from 23.2% in FY2024 to 29.3% in FY2025.

Gross profit of property management services increased by 34.0% from RMB35.6 million in FY2024 to RMB47.7 million in FY2025, and gross profit margin increased by 7.3 percentage points from 18.1% in FY2024 to 25.4% in FY2025, which was mainly due to the improvement of service quality, resulting from the enhancement of effective management of specific residential properties by the Group.

Gross profit of value-added services to non-property owners decreased by 62.9% from RMB7.0 million in FY2024 to RMB2.6 million in FY2025, and the gross profit margin decreased by 14.5 percentage points to 40.6% in FY2025 as compared to 55.1% in FY2024. Such decrease was mainly due to the decrease in the revenue from property management services with higher gross profit and pre-delivery services.

Gross profit of community value-added services grew by 27.6% from RMB9.8 million in FY2024 to RMB12.5 million in FY2025, and the gross profit margin increased by 16.2 percentage points from 52.1% in FY2024 to 68.3% in FY2025. The increase was mainly due to the expansion of business with higher gross profits.

Gross profit of other businesses decreased from RMB5.1 million in FY2024 to RMB5.0 million in FY2025, and the gross profit margin increased by 0.9 percentage points from 25.6% in FY2024 to 26.5% in FY2025. Such decrease was primarily attributable to the market volatility in the hotel industry.

Other income

During the Reporting Period, other income of the Group amounted to RMB0.7 million representing a decrease of 22.2% as compared to other income of RMB0.9 million in FY2024, which was mainly due to the decrease in income from government subsidies.

Selling and marketing expenses

The Group's selling and marketing expenses maintained steady at RMB1.1 million in FY2025.

Administrative expenses

During the Reporting Period, the Group's administrative expenses decreased by 17.8% from RMB28.1 million in FY2024 to RMB23.1 million in FY2025, mainly due to lower management fees.

Impairment loss on trade receivables

During the Reporting Period, the Group's impairment loss on trade receivables decreased from RMB19.8 million in FY2024 to RMB16.9 million in FY2025 by 14.6%. The decrease was primarily due to the decrease in the gross balance of trade receivables from third parties aged between two and three years as compared to the same period of last year.

Net finance income

During the Reporting Period, the Group's net finance income decreased from RMB2.0 million in FY2024 to RMB1.0 million in FY2025, primarily attributable to the decrease of interest income.

Share of profits and losses of an associate and joint ventures

During the Reporting Period, the Group recorded share of losses of its associate, namely Ningbo Hesheng City Service Development Co., Ltd.* (寧波和晟城市服務發展有限公司), of a total of approximately RMB153,000, mainly due to the downsizing of its scale of operations.

During the Reporting Period, the Group did not record share of profits/losses of its joint ventures, namely Hangzhou Honghe Environmental Engineering Co., Ltd.* (杭州宏合環境工程有限公司) and Ningbo Songjie Enterprise Management Partnership (Limited Partnership)* (寧波宋捷企業管理合夥企業(有限合夥)) (“**Ningbo Songjie**”), which was mainly due to the disposal of Ningbo Songjie during the Reporting Period.

Profits before tax

During the Reporting Period, the Group's profits before tax was RMB26.2 million, representing an increase of 111.3% from RMB12.4 million in FY2024, mainly due to the decrease in administrative expenses and costs.

Profit for the year

During the Reporting Period, the Group's profit for the year was RMB17.4 million, representing an increase of 123.1% from RMB7.8 million in FY2024.

Current assets, financial resources and current ratio

The Group maintained satisfactory financial position in FY2025. As at 31 December 2025, current assets were RMB527.9 million, representing a growth of 3.1% as compared with RMB511.9 million as at 31 December 2024, which was mainly due to the increase of trade and other receivables.

As at 31 December 2025, the Group's cash and cash equivalents were RMB139.3 million, representing a reduction of 20.4% as compared with RMB175.0 million for FY2024, which was mainly due to the subscription of wealth management products. The current ratio (calculated by dividing current assets by current liabilities) of the Group was 3.25 times as at 31 December 2025, which remained stable compared with the 3.27 times as at 31 December 2024.

As at 31 December 2025, the total equity of the Group was RMB410.6 million, as compared with RMB393.2 million as at 31 December 2024. This was mainly due to the growth in net profit and retained earnings.

Bank loans and other borrowings

During the Reporting Period, the Group did not have any bank loans or other borrowings.

Property, plant and equipment

As at 31 December 2025, the property, plant and equipment of the Group amounted to RMB9.4 million, representing a decline of 48.4% as compared with RMB18.2 million as at 31 December 2024, mainly due to the depreciation for the Reporting Period.

Capital structure

There has been no change in capital structure of the Company during the year ended 31 December 2025. The capital of the Company comprises ordinary shares and other reserves.

Contingent liabilities

During the Reporting Period, the Group did not have any material contingent liabilities (31 December 2024: nil).

Treasury policy

To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Pledged assets

As at 31 December 2025, the Group did not have any pledged assets (31 December 2024: nil).

Trade and other receivables

As at 31 December 2025, trade and other receivables amounted to RMB197.2 million, representing a growth of 15.8% as compared with RMB170.3 million as at 31 December 2024, mainly due to the growth of operations and the delayed settlement from third parties.

The table below sets forth the ageing analysis of trade receivables as at the dates indicated and the subsequent settlement of the trade receivables for the Reporting Period.

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000	Subsequent settlement RMB'000
Related parties			
0 to 180 days	19,926	19,736	1,253
181 to 365 days	14,105	22,329	37
1 to 2 years	23,782	16,189	290
Independent third parties			
0 to 180 days	74,544	48,827	1,137
181 to 365 days	20,912	31,693	2,111
1 to 2 years	9,261	3,777	640
Total	162,530	142,551	5,468

In order to recover the long aged trade receivables, the Group has taken actions as below:

- For related parties (mainly members of Sundry Land Group), the Group regularly follows up with the corresponding units on the payment status and sends out reminders on a quarterly or semi-annual basis for trade receivables with longer ageing periods. Considering the long-term cooperations with Sundry Land Group and the fact that the Group has substantially benefited from such relationship to acquire various projects, as at the date of this announcement, the Group has no current plans to take out legal actions regarding such trade receivables. Meanwhile, the Group will continue to closely monitor the payment status and the recoverability of such trade receivables, and when necessary, for instance, if payment has not been settled according to the agreed schedule by the corresponding unit, the Group will consider and commence legal proceedings against the relevant related parties to recover the said trade receivables. The Group also actively negotiated with the related parties to deal with the receivables including but not limited to other payables covering the trade receivables and taking assets to cover the unpaid receivables.

- For third parties, based on the historical payment record of the customer(s) involved and the actual agreed payment date of the corresponding trade receivables, the Group has issued or will issue reminder to the customer setting out the deadline to settle the outstanding sum. If such customer does not settle the outstanding sum on or before the deadline, a formal demand letter will be issued. For those trade receivables which are not recovered after the said actions, the Group will commence legal proceedings accordingly. Taking into account the business nature of the Group, some independent third parties are property owners, according to industry practice, the Group also conducts regular activities to encourage such property owners to settle management fees in a timely manner, as well as report to the management the collection status of outstanding management fees on a daily basis.

Trade and other payables

As at 31 December 2025, trade and other payables amounted to RMB127.0 million, representing an increase of 3.3% as compared with RMB123.0 million as at 31 December 2024. This was mainly due to the increase in payables from related parties.

Human resources and remuneration policies

As at 31 December 2025, the Group employed a total of 402 employees (for the year ended 31 December 2024: 435 employees). During the Reporting Period, the staff costs of the Group were RMB53.4 million (2024: RMB60.7 million).

In determining remuneration of Directors and senior management of the Company, the Board will consider the level of skill, knowledge, involvement in the Group's affairs and performance of each Director, together with reference to the profitability of the Company, remuneration benchmarks in the industry, and prevailing market conditions.

The Group ensures that their employees are offered a competitive remuneration package. The Group had also adopted a share option scheme, details of which has been disclosed in the paragraph headed "Statutory and General Information – D. Other information – 1. Share Option Scheme" in Appendix IV of the prospectus of the Company dated 31 December 2020 (the "Prospectus").

Significant investments, acquisitions and disposals

The Group's significant investments comprised wealth management products, details of which are set out below.

Wealth Management Product

- a) As disclosed in the announcement of the Company dated 27 February 2025, Hangzhou Xingrun Enterprise Management Co., Ltd. (“**Hangzhou Xingrun**”), an indirect wholly-owned subsidiary of the Company, entered into a structured deposit product agreement with China Minsheng Bank Co., Ltd. (“**China Minsheng Bank**”), pursuant to which, Hangzhou Xingrun agreed to subscribe for a structured deposit product of RMB50.0 million from China Minsheng Bank by using the internal funds of the Group.

China Minsheng Bank is a commercial bank in the PRC, headquartered in Beijing. Its shares are listed on the Shanghai Stock Exchange (stock code: 600016). China Minsheng Bank is principally engaged in providing customers with various wholesale and retail banking products and services, and conducting capital businesses for itself and on behalf of customers.

The investment cost of the structured deposit product of China Minsheng Bank was RMB50.0 million. As disclosed in the announcement of the Company dated 29 May 2025, Hangzhou Xingrun redeemed the structured deposit product of China Minsheng Bank on 29 May 2025 and the total gain on investment in the structured deposit product of China Minsheng Bank was approximately RMB185,720.55 with an average annualised rate of return of approximately 1.51%.

- b) As disclosed in the announcement of the Company dated 5 June 2025, Hangzhou Xingrun entered into a structured deposit product agreement with China Minsheng Bank, pursuant to which, Hangzhou Xingrun agreed to subscribe for a structured deposit product of RMB50.0 million from China Minsheng Bank by using the internal funds of the Group.

The investment cost of the structured deposit product of China Minsheng Bank was RMB50.0 million. Hangzhou Xingrun redeemed the structured deposit product of China Minsheng Bank on 5 September 2025 and the total gain on investment in the structured deposit product of China Minsheng Bank was approximately RMB235,602.74 with an average annualised rate of return of approximately 1.86%.

- c) As disclosed in the announcement of the Company dated 10 September 2025, Hangzhou Xingrun entered into a structured deposit product agreement with China Minsheng Bank, pursuant to which, Hangzhou Xingrun agreed to subscribe for a structured deposit product of RMB50.0 million from China Minsheng Bank by using the internal funds of the Group.

The investment cost of the structured deposit product of China Minsheng Bank was RMB50.0 million. Hangzhou Xingrun redeemed the structured deposit product of China Minsheng Bank on 11 December 2025 and the total gain on investment in the structured deposit product of China Minsheng Bank was approximately RMB229,788.44 with an average annualised rate of return of approximately 1.86%.

- d) As disclosed in the announcement of the Company dated 22 December 2025, Hangzhou Xingrun entered into a structured deposit product agreement with China Minsheng Bank, pursuant to which, Hangzhou Xingrun agreed to subscribe for a structured deposit product of RMB24.8 million from China Minsheng Bank by using the internal funds of the Group.

The investment cost of the structured deposit product of China Minsheng Bank was RMB24.8 million. Hangzhou Xingrun redeemed the structured deposit product of China Minsheng Bank on 23 March 2026 and the total gain on investment in the structured deposit product of China Minsheng Bank was approximately RMB105,179.18 with an average annualised rate of return of approximately 1.78%.

The Company considers that the above structured deposit products generate a better return than letting its idle funds earn a fixed-term deposit interest with commercial banks in the PRC. Save as disclosed above, the Group did not hold any other significant investments, nor have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period.

Foreign exchange risk exposure

The Group mainly operates its business in the PRC, and most of its business are conducted in RMB, and its exposure to foreign exchange risks is limited. However, as the proceeds from the listing of the shares of the Company (the “**Listing**”) are denominated in Hong Kong dollar, the depreciation or appreciation of the Hong Kong dollar and interest rate adjustments will affect the performance of the Group. Therefore, the Group will closely monitor the exchange rate risks and interest rate risks involved, actively discuss foreign exchange hedging solutions with major banks, and use financial instruments to hedge the risks involved when necessary.

FINAL DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders who are entitled to attend and vote at the annual general meeting of the Company (“**AGM**”), the register of members of the Company will be closed from Monday, 1 June 2026 to Friday, 5 June 2026 (both days inclusive). In order to qualify for attending and voting at the AGM, all transfer documents together with the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar for registration, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 29 May 2026.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability of the Company. During the Reporting Period and up to the date of this announcement, the Company has adopted and complied with all applicable code provisions under the Corporate Governance Code in Appendix C1 to the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company has established the Audit Committee in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal control of the Company. The Audit Committee currently consists of three independent non-executive Directors, namely, Ms. Ye Qian, Mr. Huang Enze and Mr. Zhu Haoxian. Ms. Ye Qian is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company this annual results and the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial statements matters, including the review of the consolidated financial statements of the Group for FY2025.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set forth in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors. The Company had made specific enquiry and each Director confirmed that they have complied with the Model Code during the Reporting Period and up to the date of this announcement.

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 during the Reporting Period and up to the date of this announcement.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules during the Reporting Period and up to the date of this announcement. The Company maintained the minimum level of public float of 25% of its total issued share capital.

EVENTS AFTER THE REPORTING PERIOD

The following events happened subsequent to the end of the Reporting Period:

- (1) On 13 January 2026, Hangzhou Sundry Property Management Co., Ltd.* (杭州宋都物業經營管理有限公司) (“**Sundry Property**”), an indirect wholly-owned subsidiary of the Company, entered into a structured deposit product agreement with the Bank of Hangzhou Co., Ltd. (“**Hangzhou Bank**”), pursuant to which Sundry Property agreed to subscribe for a structured deposit product of RMB12.0 million from Hangzhou Bank by using the internal funds of the Group; and
- (2) On 15 January 2026, Hangzhou Qiyu Life Services Co., Ltd.* (杭州啟寓生活服務有限公司) (“**Hangzhou Qiyu**”), and Zhejiang Hechen Enterprise Management Co., Ltd.* (浙江和辰企業管理有限公司) (“**Zhejiang Hechen**”), both of which are indirect wholly-owned subsidiaries of the Company, entered into structured deposit product agreements with China Minsheng Bank, pursuant to which Hangzhou Qiyu and Zhejiang Hechen agreed to subscribe for structured deposit products of RMB9.9 million and RMB16.0 million, respectively, from China Minsheng Bank using the internal funds of the Group; and
- (3) On 31 March 2026, Hangzhou Xingrun entered into a structured deposit product agreement with China Minsheng Bank pursuant to which, Hangzhou Xingrun agreed to subscribe for a structured deposit product of RMB25.0 million from China Minsheng Bank by using the internal funds of the Group.

USE OF PROCEEDS FROM THE LISTING AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The net proceeds from the Listing intended to be applied in accordance with the section headed “Future Plans and Use of Proceeds” in the Prospectus and with details as set out as follows:

- approximately 48% to acquire, invest in, or form strategic alliance with one or more than one financially sound property management company with business focus on provision of property management services to residential and/or non-residential properties within the Yangtze River Delta region, particularly Hangzhou and other cities where the Group considers to be appropriate based on the market needs. As of the date of this announcement, approximately 15.3% of the amount has been utilised, mainly for investment in a joint venture and an associate and it is expected to be fully utilised by 31 December 2026;
- approximately 12% to invest in and expand the services related to the Future Community Pilot Plan, which primarily involves the provision of property management services and various types of community value-added services. As of the date of this announcement, all of the amount has been used for investing in digital upgrading among the certain future communities;

- approximately 15% to create a smart community through utilisation of advanced technology, such as the use of electronic patrolling systems and smart accesses, introduction of intelligent products and services and utilisation of digital equipment; and develop a mobile application for property owners and residents. As at the date of this announcement, all of the amount has been utilised to develop and upgrade the online-offline mobile application;
- approximately 15% to explore, diversify and expand its community value-added services, including move-in and move-out services, household services, home cleaning and laundering services, childcare, babysitting and elderly care services for property owners and residents; and expand other businesses, in particular long-term rental apartment business. As of the date of this announcement, approximately 55.2% of the amount has been utilised, mainly for investing in childcare, babysitting and elderly care services for residents and it is expected to be fully utilised by 31 December 2026;
- approximately 10% to provide funding for its working capital and other general corporate purposes. As of the date of this announcement, all of the amount has been used, mainly for payment of related intermediary service fees after the Listing and other operating purposes.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

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

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

The annual results announcement has been published on the websites of the Stock Exchange at (www.hkexnews.com.hk) and the Company at (<http://songduwuye.com>). The annual report of the Company for the Reporting Period, which contains all information required by the Listing Rules, will be dispatched to the Company's shareholders and published on the websites of the Stock Exchange and the Company in due course.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 5 June 2026 while the notice and circular convening the AGM will be published and dispatched to the Company's shareholders in the form required in the Listing Rules in due course.

By order of the Board
Sundy Service Group Co. Ltd
Yu Yun
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises four executive Directors, Ms. Yu Yun (Chairman), Mr. Zhu Yihua (Chief Executive Officer), Mr. Zhu Congyue, and Mr. Zhang Zhenjiang and three independent non-executive Directors, Mr. Zhu Haoxian, Mr. Huang Enze and Ms. Ye Qian.

** For identification purpose only*