

A-LIVING SMART CITY SERVICES CO., LTD.* 雅生活智慧城市服務股份有限公司

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

Stock Code: 3319

LIFELONG CARING FOR YOU, HEARTWARMING SERVICE TO CITY

2025 Annual Report



*For identification purposes only

VISION

Become a preeminent quality
service provider in China

MISSION

Lifelong caring for you,
heartwarming service to city

CORE VALUE

Inclusion and diversity;
Relentless pursuit of excellence;
Mutual benefit and common progress;
Value creation with concerted efforts



Corporate Profile

A-Living Smart City Services Co., Ltd. (“A-Living” or the “Company”, together with its subsidiaries, collectively, the “Group”) positions itself as a mid- to high-end provider of nationwide comprehensive property management services. The Group dedicates to providing high-quality and full-scenario services to property owners, undertaking the corporate vision of “becoming the preeminent quality service provider in China”. Currently, the Group has developed four business lines, namely, property management services, property owners value-added services, city services and extended value-added services, with a nationwide coverage of 28 provinces, municipalities and autonomous regions, and has developed a balanced business portfolio layout covering residential properties, public buildings and commercial and office buildings. As at 31 December 2025, the Group’s total gross floor area (“GFA”) under management was approximately 502.8 million sq.m.

On 9 February 2018, the Group successfully spun off from Agile Group Holdings Limited (雅居樂集團控股有限公司) (“Agile Holdings”, and together with its subsidiaries, “Agile Group”) and became the first property management company in the People’s Republic of China (the “PRC” or “China”) that officially spun off from a red-chip holding company to list on the H-Share market.

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Corporate Information

BOARD OF DIRECTORS

Mr. Chan Cheuk Hung* (Co-chairman)
Mr. Wang Haiyang* (Co-chairman)
Mr. Li Dalong* (President (General Manager) and
Chief Executive Officer)
Mr. Chen Siyang* (Vice President)
Ms. Zhao Yu* (Vice President) (appointed on 8 October 2025)
Mr. Wang Gonghu#
Mr. Weng Guoqiang#
Mr. Li Jiahe#

* Executive Directors

Independent Non-executive Directors

BOARD COMMITTEES

Audit Committee

Mr. Wang Gonghu (Committee Chairman)
Mr. Weng Guoqiang
Mr. Li Jiahe

Remuneration and Appraisal Committee

Mr. Weng Guoqiang (Committee Chairman)
Mr. Wang Haiyang
Mr. Li Dalong
Mr. Wang Gonghu
Mr. Li Jiahe

Nomination Committee

Mr. Wang Haiyang (Committee Chairman)
Ms. Zhao Yu (appointed on 8 October 2025)
Mr. Li Dalong (resigned on 8 October 2025)
Mr. Wang Gonghu
Mr. Weng Guoqiang
Mr. Li Jiahe

Risk Management Committee

Mr. Wang Haiyang (Committee Chairman)
Mr. Chan Cheuk Hung
Mr. Li Dalong
Mr. Wang Gonghu
Mr. Li Jiahe

Supervisory Committee

Mr. Liu Jianrong (President of the Supervisory Committee,
Employee representative Supervisor)
Ms. Huang Zhixia (Employee representative Supervisor)
Mr. Wang Weiqiong (Shareholder representative Supervisor)
Mr. Zheng Jiancheng (External Supervisor)
Mr. Wang Shao (External Supervisor)

COMPANY SECRETARY

Ms. Fu Mei Yan (appointed on 21 November 2025)
Mr. Huang Jiayi (resigned on 21 November 2025)
Mr. Li Kin Wai (resigned on 21 November 2025)

AUTHORISED REPRESENTATIVES

Mr. Li Dalong
Ms. Fu Mei Yan (appointed on 21 November 2025)
Mr. Huang Jiayi (resigned on 21 November 2025)

AUDITOR

Grant Thornton Hong Kong Limited

Legal Advisors

as to Hong Kong law:

Sidley Austin

as to PRC law:

King & Wood Mallesons

PRINCIPAL BANKERS

Bank of China, Guangzhou Zhujiang Branch
Industrial and Commercial Bank of China,
Zhongshan Sanxiang Wenchang Branch
Industrial and Commercial Bank of China,
Lingshui Branch
Agricultural Bank of China, Sanxiang Branch
Agricultural Bank of China, Guangzhou Zhujiang Branch

PRINCIPAL PLACE OF OFFICE IN THE PRC

35/F, Agile Center
26 Huaxia Road
Zhujiang New Town
Tianhe District, Guangzhou
Guangdong Province, PRC
Postal Code: 510623

REGISTERED OFFICE IN THE PRC

Management Building, Xingye Road
Agile Garden, Sanxiang Town
Zhongshan
Guangdong Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

H SHARE REGISTRAR

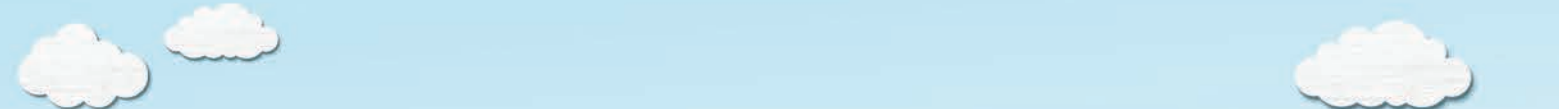
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Telephone: (852) 2980 1333
Facsimile: (852) 2861 1465

INVESTOR RELATIONS

Investor Relations Department
E-mail: ir@agileliving.com.cn
Telephone: (852) 2740 8921

WEBSITE

www.agileliving.com.cn



Corporate Information

LISTING INFORMATION

Equity Securities

The Company's ordinary shares include only overseas listed shares (H shares) (the "Share").

Overseas listed shares (stock code: 3319) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

Financial Calendar

Annual results announcement	:	Tuesday, 31 March 2026
2025 annual general meeting (the "2025 AGM")	:	Thursday, 28 May 2026

Closure of Register of Members and other Key Dates

The Company's register of members will be closed during the following period:

To determine the shareholders of the Company (the "Shareholders") who are entitled to attend and vote at the 2025 AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Thursday, 21 May 2026
Period of closure of register of members	:	Friday, 22 May 2026 to Thursday, 28 May 2026 (both dates inclusive)
Record date	:	Thursday, 28 May 2026

To determine the Shareholders' entitlement to the final dividend (the "Final Dividend")

Ex-entitlement date for Final Dividend	:	Thursday, 4 June 2026
Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 5 June 2026
Period of closure of register of members	:	Monday, 8 June 2026 to Thursday, 11 June 2026 (both dates inclusive)
Record date	:	Thursday, 11 June 2026

To qualify for attending and voting at the 2025 AGM and entitlement to the Final Dividend, shareholders of overseas listed shares of the Company must lodge all properly completed share transfer forms accompanied by the relevant share certificates with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than the above latest time for lodging transfer documents of shares.

Subject to the approval by the Shareholders in the 2025 AGM, the proposed Final Dividend will be paid on or about Friday, 10 July 2026 to Shareholders whose names appear on the register of members of the Company on Thursday, 11 June 2026.

Annual General Meeting

The 2025 AGM will be held on Thursday, 28 May 2026. Notice of the 2025 AGM will be set out in the Company's circular dated 29 April 2026 and will be despatched together with this annual report to the Shareholders. Notice of the 2025 AGM and the proxy form will also be published on the Company's website (www.agileliving.com.cn) and the Hong Kong Stock Exchange's website (www.hkex.com.hk).

Despatch of Corporate Communications

The Company will send printed copies of this annual report to the Shareholders in accordance with their indicated preference. This annual report is also published on the Company's website (www.agileliving.com.cn) and the Hong Kong Stock Exchange's website (www.hkex.com.hk). Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by filling the specified forms and send to the Company's H share registrar, Tricor Investor Services Limited or by email to 3319-ecom@vistra.com. For Shareholders whose Shares are being held through intermediaries, they should inform their respective intermediaries to effect the change.

For environmental protection reasons, the Company encourages the Shareholders to view this annual report posted on the aforesaid websites where possible.

Financial Summary

SUMMARY OF THE CONSOLIDATED INCOME STATEMENT

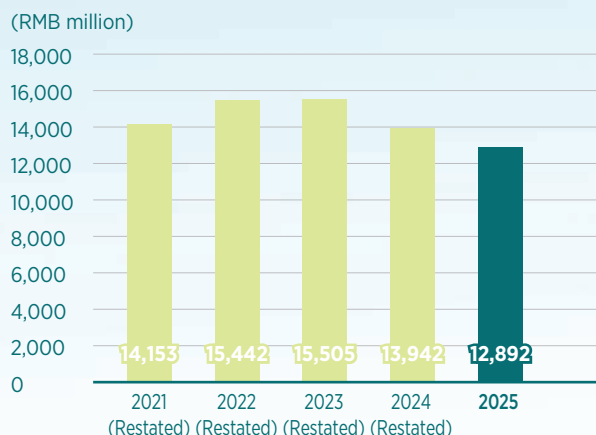
	Year ended 31 December	
	2025	2024 (Restated)
Revenue (RMB million)	12,892	13,942
Gross profit (RMB million)	1,677	2,085
Gross profit margin	13.0%	15.0%
Net profit/(loss) (RMB million)	217	(3,158)
Net profit margin	1.7%	(22.7%)
Profit/(loss) attributable to the Shareholders (RMB million)	105	(3,298)
Basic earnings/(loss) per share (RMB)	0.07	(2.32)

SUMMARY OF THE CONSOLIDATED BALANCE SHEET

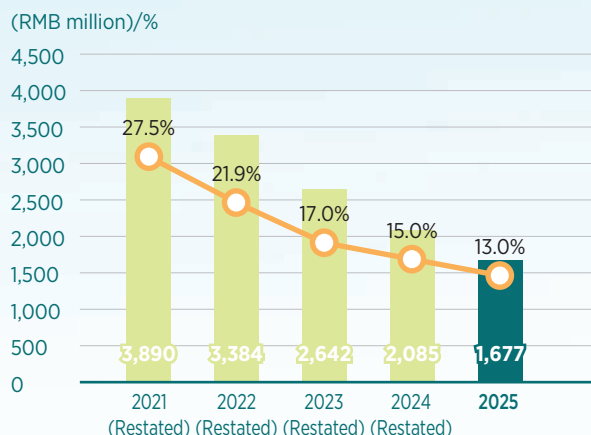
	As at 31 December	
	2025	2024 (Restated)
Total assets (RMB million)	20,233	20,754
Cash and cash equivalents (RMB million)	3,045	3,319
Shareholders' equity (RMB million)	11,168	11,232
Return on shareholders' equity attribute to the Company	1.1%	(29.4%)
Total liabilities/Total assets	44.8%	45.9%

Financial Summary

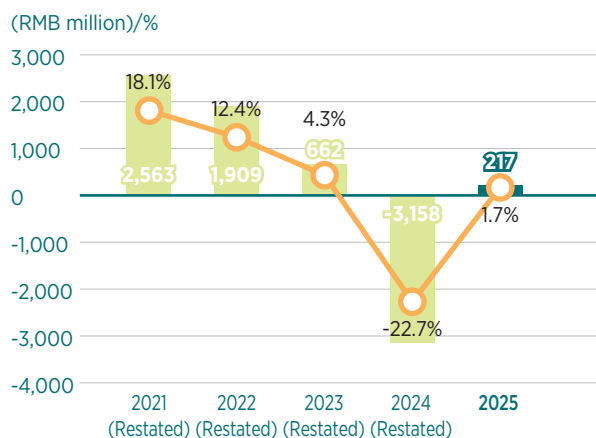
Revenue



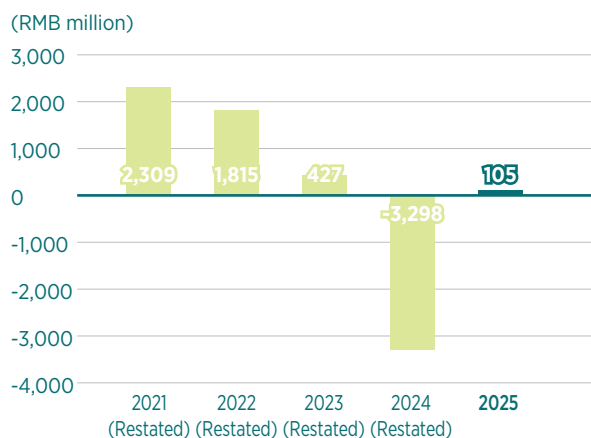
Gross profit and gross profit margin



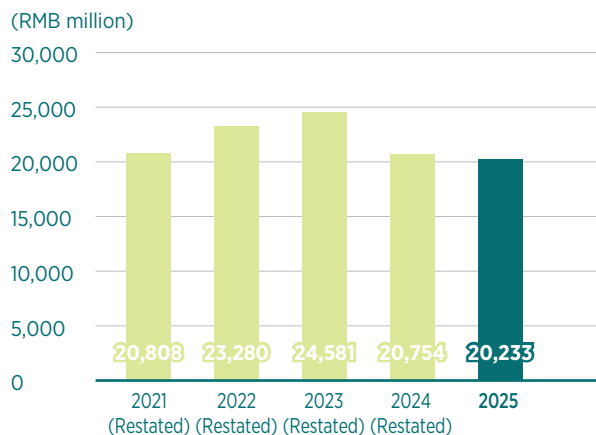
Net profit and net profit margin



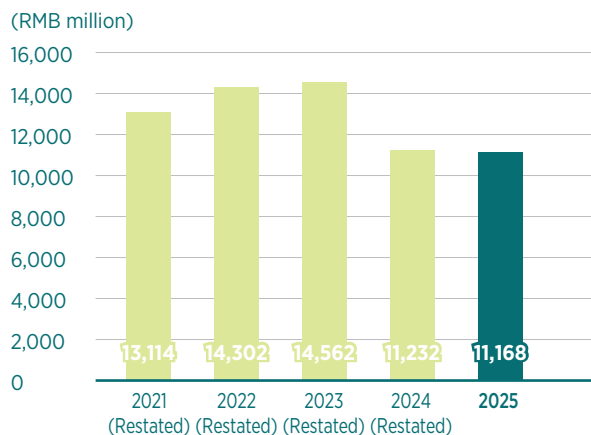
Profit attributable to the Shareholders of the Company



Total assets



Shareholders' equity



Major Events in 2025

1

During the Year, A-Living focused on customers and adhered to the principle of matching quality with price, reshaping the “good service” system around dimensions such as service scenarios, humanistic experience, and emotional connection. The Group iterated on hundreds of residential service details to improve service cost transparency. It initially produced the A-Living residential service tiering model, product line structure, and service standard SOP manual. The Group also promoted the investigation of legacy issues in quality inspections, achieving a rectification rate of over 98% and realizing an efficient closed loop of “inspection standards - problem list - rectification results”.



**住宅分级服务标准SOP
工程作业指导手册**
| 超高端系列



**住宅分级服务标准SOP
环境作业指导手册**
| 高端系列



**住宅分级服务标准SOP
秩序作业指导手册**
| 中端系列



**住宅分级服务标准SOP
客服作业指导手册**
| 普通系列

A-Living Residential Tiered Service SOP Manual

2

Centered on its brand strategy of “new quality service”, A-Living is committed to enrich the spiritual and cultural life of the property owners. During the Year, the Group upgraded its “Xiaoya Commune 3.0” brand IP and held more than 8,000 community cultural activities, including various holiday-themed events, property owner sports activities, art festivals, and pet-friendly events. These activities reached residents of all ages in the community, attracted more than 500,000 participants, and harnessed the power of culture to strengthen community bonds and promote neighborhood harmony and integration.



3

During the Year, multiple A-Living's projects under management were hit by disasters such as typhoons, heavy rains, and urban flooding. In response, A-Living established a closed-loop mechanism of “pre-inspection, on-duty monitoring, and post-emergency repair” to build a safety net for typhoon and flood prevention, making every effort to safeguard the community and protect the personal and property safety of its property owners.



Major Events in 2025

4

A-Living refined its city-tier strategy, developing a target city map and focusing on key regions and business portfolios. Through a differentiated expansion strategy, the Group thoroughly explored opportunities within existing and niche markets to secure high-quality projects across a diverse range of business portfolios, including cultural and sports venues, rail transit, government offices, educational institutions, and industrial parks.



5

At the Summit of 2025 China Property Management Companies in terms of Comprehensive Strength hosted by CRIC Property Management, A-Living won the “2025 TOP4 Property Management Companies in China in terms of Comprehensive Strength” award with its strong comprehensive strength and brand influence. Its subsidiary brands, including Longcheng Service, Kerui PM, Minghua Smart Service, Chongqing Haitai and Lanshi A-Living, were all ranked among the top 100 brands of the industry, further highlighting the brand matrix integration power of A-Living’s nationwide, multi-business portfolios, and full-industry chain layout.



6

During the Year, A-Living, together with its three major regions of East China, South China, and North China, as well as many member companies, made appearances at the three main property expos of Shanghai International Property Management Expo, Guangzhou International Smart Property Management Expo and China International Property Management Industry Expo, showcasing its comprehensive service ecosystem and innovative achievements across all business portfolios, service scenarios and full lifecycle, and continuously increasing its brand awareness.



Shanghai International Property Management Expo



Guangzhou International Smart Property Management Expo



China International Property Management Industry Expo

Major Events in 2025

7

During the Year, A-Living continued to advance its digital transformation initiatives, building an AI hub and deeply integrating AI, IoT, and other technologies with key operational functions such as human resources, administration, finance, centralized procurement, and risk control. At the same time, the Group independently developed the smart IoT platform, the smart courtyard management system, the smart school management platform and the smart building system, forming a smart product matrix. This matrix embeds smart services into all business scenarios and portfolios, including residential properties, public buildings and commercial offices, covering the entire project lifecycle from market expansion to operation, and promoting the smart upgrade of service models and customer experience.



The Smart Energy Management System



The Smart Compound Management Platform

8

To create a safe, efficient and smart community living experience and build better cities, A-Living, together with Alipay and Ele.me, held a launch event themed “Tap to Open” and a signing ceremony for the “Riders-Friendly Better Communities” initiative. They jointly introduced an industry-leading smart access control solution, using technology to address the “last-kilometer” challenge.



9

A-Living's value-added services for property owners accelerated their market-oriented transformation, centering on three key sectors — local living, space services and asset services. By focusing on high-frequency and essential household needs, the Group built a curated platform offering convenience, high quality and exceptional value, whilst strategically expanding its range of living services for the elderly and children to unlock new potential for community value.



10

During the Year, A-Living established a value-driven cost control system, set up the Cost and Procurement Management Centre, upgraded its annual supplier performance assessment system, implemented resource integration and centralised procurement strategies to optimise cost allocations and support projects' healthy and efficient operation. The Group's management expense ratio has remained stable with a slight decline, staying at a relatively low level, which fully reflects the effective improvement in operational efficiency.



Major Events in 2025

11

In terms of corporate culture and organisational management, A-Living embraces a culture of hard work and has initiated organisational reforms. During the Year, the Group revised its criteria for managerial talent, reviewed the profile of project managers. It deepened the reform of the salary mechanism and built diverse incentive systems centred on value creation. It also reshaped the corporate culture, cultivated warm humanistic care, and created a corporate atmosphere of “simplicity, transparency, efficiency, pragmatism, and responsibility”.



12

A-Living adheres to “Five-party Co-building” led by party building and responds to the national strategy of “good house”. During the Year, the Group actively collaborated with community Party committees, neighborhood committees, and property owner representatives to address community governance challenges, including the construction of charging sheds and drainage and flood prevention hazards in aging projects. It also carried out diverse community public services, improving service quality and customer satisfaction, thereby forming a new pattern of “good services” based on community co-construction, co-governance, and shared benefits.



13

During the Year, A-Living and its member companies carried out a series of immersive red education activities, including organizing Party member employees, veterans, military dependents and families of martyrs to study Party history, commemorate the 80th anniversary of the victory in the Chinese People's War of Resistance Against Japanese Aggression, visit revolutionary sites, and pay tribute to martyrs and veterans on Army Day of 1st August.



14

To actively meet the national “Dual Carbon” target and drive green transformation through technological innovation, A-Living signed a carbon neutrality strategic cooperation agreement with Guangzhou Fengyu New Energy Technology Co., Ltd. (廣州市豐羽新能源科技有限公司). Both parties will integrate their respective advantages in smart energy technology and property management services, and carry out in-depth cooperation in areas such as energy retrofit of commercial projects and low-carbon operation.



Major Recognition and Awards



1



2



3



4



5



6



7



8



9



10

- 1 2025 Top 4 Property Management Companies in China in terms of Comprehensive Strength
- 2 2025 Property Management Companies for Exceptional Capabilities
- 3 2025 Property Management Companies for Exceptional Service Capabilities
- 4 2025 Property Management Companies for Exceptional Management Capabilities
- 5 2025 Property Management Companies for Exceptional Innovation Capabilities
- 6 2025 Property Management Companies for Exceptional Digital Capabilities
- 7 2025 City Services Companies for Exceptional Capabilities
- 8 2025 Property Management Companies for Exceptional Brand Value
- 9 2025 High-Quality Development Value Brand
- 10 2025 Leading Companies in Brand Reputation

Chairman's Statement

Chan Cheuk Hung

Co-Chairmen of the Board

Wang Haiyang

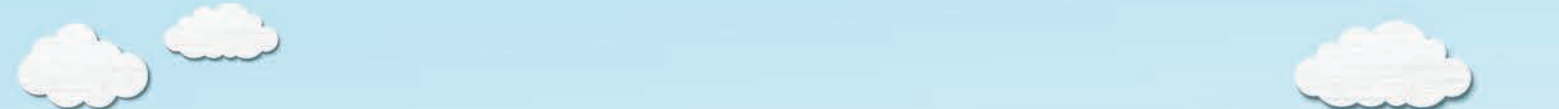
Co-Chairmen of the Board



Dear Shareholders,

We are pleased to present the audited consolidated results of the Group for the year ended 31 December 2025 (the “Year”).

In 2025, amid drastically changing external political and economic conditions and mounting internal challenges, China’s economy continued to move forward under significant pressure while maintaining overall stability. Although the government introduced a range of measures from the end of 2024 aimed at guiding the property market towards healthy and sustainable development, there has yet to be a notable improvement in property development and sales performance. With limited growth in new supply, property management enterprises have increasingly shifted their focus towards expanding within the existing market, resulting in intensifying market competition. At the same time, property owners are demanding higher service standards while also expecting better value for money. Historically, the property management industry has been characterised by a lack of standardised practices, which have undermined trust between service providers and property owners. In response, local governments across many cities have introduced measures to enhance transparency and promote the sound development of the sector, guiding the industry towards regulated and standardised development. At the same time, several cities have introduced guidance policies on property service fees. As a result, both pricing and collection rates are facing a degree of pressure, placing further demands on the operational capabilities and cost management of property management enterprises. Following a period of rapid expansion, the property management sector is now experiencing the challenges associated with industry transformation and consolidation. The pace of scale expansion has slowed, with enterprises increasingly returning to the core of service provision, while leveraging smart technologies to enhance capabilities and improve operational efficiency.



Chairman's Statement

During the Year, all employees of the Group rose to the challenges and worked tirelessly to navigate in demanding operating environment. The Group continued its transition towards a “quality and efficiency-driven” enterprise, maintaining relatively stable revenue and management scale while further enhancing service standards and operational quality. In 2025, the Ministry of Housing and Urban-Rural Development called for the full implementation of initiatives to enhance property service quality. The Group responded proactively by identifying industry trends and addressing evolving customer needs, placing service excellence at the forefront and strengthening its ability to provide quality services. During the Year, the Group continued to advance the productisation of its services, comprehensively upgrading its service grading standards. A standardised residential service grading SOP was developed and piloted, while a refined product model covering hundreds of service items was established. This framework enables flexible alignment with different product lines and the customised needs of property owners, with the aim of delivering service experiences that offer commensurate value for money. Over the past two years, the Group has also achieved notable results in key rectification initiatives relating to fire safety and operational safety. Through comprehensive drills and systematic training, the Group timely and effective emergency responses in high-rise building fire accident, safeguarding the personal safety and the value of property of owners. The measures received strong recognition from national media and the public, establishing a benchmark for high-rise emergency management. During the Year, the Group also restructured its “Quality Service” framework, with a focus on enhancing service reputation and strengthening customer perception. Monthly initiatives were launched aiming at improving customer satisfaction, while efforts were made to foster community culture and deepen the “Five-Party Co-Building” model. By mobilising frontline participation, addressing livelihood concerns and maintaining community stability, the Group aims to build stronger mutual trust with property owners through better service delivery. In line with national customer satisfaction evaluation standards for property services, the Group recorded a year-on-year increase of more than two percentage points in overall customer satisfaction rate during the Year. Meanwhile, the overall customer complaint rate declined by 0.17 percentage points year-on-year to 0.45%, marking the third consecutive year of improvement in property owner satisfaction.

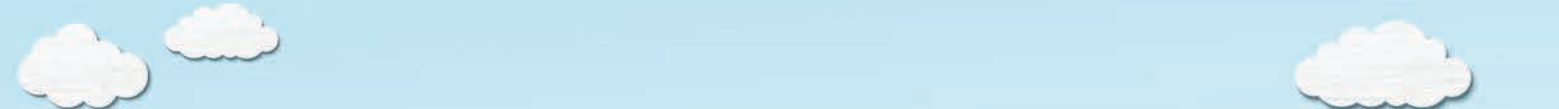
The property management industry has traditionally been labour-intensive. In recent years, however, it has faced increasing challenges arising from rising labour costs and the growing need for greater standardisation. Beyond delivering people-centred, attentive services, a key question for property management enterprises is how to integrate artificial intelligence (“AI”) into service delivery and management. Leveraging AI to unlock new quality service capabilities, enhance operational efficiency and safeguard business performance will be a critical factor in future competitiveness. During the Year, the Group continued to upgrade its digital and intelligent platforms, applying technologies such as the Internet of Things (“IoT”), big data and AI models across the entire lifecycle and operational processes of property management. These applications now cover a wide range of scenarios, including residential communities, public buildings and office buildings. The Group has also begun to develop the capability to export its smart service platforms, launching several solutions including the “Smart Compound” product for government offices and industrial parks, the “Smart Campus” management platform for educational institutions, and the “Smart Building” system designed for high-end commercial office properties. Through intelligent risk-warning systems, integrated IoT monitoring of facilities and equipment, drone-assisted inspections and smart customer service applications, the Group has strengthened its ability to provide proactive protection, forward-looking risk identification, efficient coordination and transparent management. For example, the Group has established a high-altitude object detection and early-warning system that utilises smart IoT technology to enable comprehensive AI monitoring across residential projects. During the Year, the system successfully issued early warnings and prevented tens of thousands of potential safety incidents. Smart technologies have enabled the Group to provide property owners with more convenient and efficient services while ensuring consistent service quality and management standards. At the same time, these technologies improve project-level operational efficiency, helping to mitigate cost pressures arising from rising labour expenses. During the Year, the Group also established the A-Living Parking Management Platform, enabling unified and smart management of parking facilities. This not only helps maintain order and safety of projects but also improves resource utilisation efficiency. The Group continued to optimise its contactless visitor access platform, which has now been deployed across more than 700 projects nationwide and has served over two million visitors, helping to build smarter, more convenient, greener and lower-carbon modern communities. In addition, the Group developed a virtual customer service assistant - the “A-Living Digital Assistant” - and introduced intelligent customer service chatbot to provide consultation services to approximately 3 million customers, significantly improving the speed and efficiency of customer service responses.



Chairman's Statement

During the Year, the Group launched the city-penetration strategy. After carefully assessing factors including local economic environment, market potential and expansion capabilities, the Group deepened its presence in core cities and penetrated cities while selectively entering opportunity cities. This approach aims to increase project density within individual cities, thereby enhancing economies of scale and strengthening the Group's brand influence. The Group maintained a balanced approach between profitability and stable scale. During the Year, it continued to optimise its project portfolio by actively phasing out certain low-efficiency and loss-making projects, while timely securing quality new projects to further strengthen its presence in core property types and key cities. The Group remained committed to disciplined, quality-driven market expansion. Despite intensifying market competition, the annualised contract value of newly secured projects remained broadly in line with the previous year, of which around 84% were located in the core and penetrated cities selected by the Group. Following the introduction of property management fee pricing guidance in certain cities, management fees for some projects under management were adjusted. However, such projects account for only small proportion of the Group's overall portfolio, and the impact on the Group's revenue is limited.

The Group has confirmed a clear strategic transition from a "scale and speed-driven" to "quality and efficiency-driven" enterprise, shifting from a "large and comprehensive" model to one that is "stronger and more specialised" in terms of business layout. During the Year, the Group continued to focus on its major businesses and enhance operational quality. It gradually phased out certain businesses that did not generate cash flow or delivered weak financial performance, while placing greater emphasis on fee collections and the sustainability of its operations. At the same time, the Group continued to optimise the product mix of its diversified businesses. Although the Group's management scale contracted during the Year, cash flow improved year-on-year, which will support the Group's long-term sustainable development. During the Year, the Group established a cost and procurement management centre and further built a healthy and stable supply chain ecosystem, while developing a value-driven cost management framework. The Group actively implemented a range of cost-reduction and efficiency-enhancement initiatives. Through resource integration and more centralised procurement, the Group effectively controlled procurement costs while ensuring quality. The Group also advanced organisational reforms and upgrades by enhancing organizational efficiency and layering to build a more agile organisation. This has enabled more efficient support for, and empowerment of, frontline operations, while the Group's management costs remained at a relatively low level within the industry. By continuously empowering frontline roles and strengthening its training systems, the Group further standardised its operations and enhanced the professional capabilities of its workforce. During the Year, the certification rate of professional service staff increased significantly, with the percentage of certification in critical electricians positions reaching 100%. At the same time, the Group continued to strengthen its multi-brand portfolio under a unified master brand strategy. Building on a foundation of empowerment and collaboration, the Group has implemented differentiated management strategies aligning with actual development needs for its member companies.



Chairman's Statement

PROSPECT

In 2026, the Central Economic Work Conference highlighted the prioritisation of domestic demand as a key national task. Citizens' long-term pursuit for a better life is expected to generate an enormous market of differentiated demands. In the coming year, the Group will seek growth while remaining steady, focusing on five strategic priorities: brand revitalisation, technological empowerment, operational excellence, management innovation, and value enhancement.

The nature of future competition in the property management industry will be defined by standardisation and brand strength. The Group has formulated a long-term strategic plan to become a leading provider of high-quality property services in China, with service capability as its core competitive advantage. By leveraging intelligent technologies, the Group is enhancing smart community security surveillance and specialised service systems, transitioning from manual monitoring to intelligent management. This will improve service precision, operational efficiency, and emergency response capabilities. In 2026, under the leadership of top management, the Group will strengthen service awareness across the Group, actively reduce customer complaint rate and the proportion of low-satisfaction projects, and aim to elevate the overall satisfaction levels of property owners to industry benchmark standards, creating a positive cycle of collection rates and project stability. In the coming year, the Group will continue to refine its residential service grading standards and implement them to high and mid-end residential as well as cultural tourism property projects in key cities. Benchmark projects will be established in top-tier cities such as Beijing, Shanghai, Guangzhou, and Shenzhen. The Group aims to build a nationally recognised flagship brand in the residential market, consolidating its expansion capabilities, while gradually establishing brand presence in segmented markets such as public buildings and commercial properties. In 2026, the Group will reinvigorate its market engine and reshape its market expansion landscape by strengthening its marketing teams and actively seeking new growth opportunities. By focusing on high-quality projects in the existing markets and leveraging the city map strategy for regional concentration, over 80% of market expansion is expected to come from core and penetrated cities in 2026. The Group will prioritise project management transformation and operational effectiveness, ensure the smooth renewal of key projects, and maintain stability in property management fees.

The property management industry is at a pivotal stage in its transformation into a modern service sector, with intelligent technologies playing a critical role in addressing the challenges of service standardisation and operational efficiency. The Group will combine its people-centred approach with AI, focusing on frontline service quality and management efficiency to enhance customer service capabilities and experience. This will provide property owners with a safer, more convenient, and greener smart living environment, while gradually transitioning towards scalable, market-ready platforms and solutions. In 2026, the Group will continue to leverage digital tools to improve operational efficiency, strengthen data standardisation, and provide multi-dimensional support for business management. AI-driven analytics will further assist decision-making. The Group will also advance the development and implementation of IoT platforms, including intelligent management systems for facilities such as elevators and smart parking management platforms. Additionally, AI applications in quality monitoring and intelligent security will continue to be expanded, with pilot projects scheduled for implementation in 2026. Building on the major progress made in developing intelligent customer service systems in 2025, these systems will be further optimised to ensure efficient response and enhanced per-capita efficiency. Furthermore, projects will gradually introduce on-site service robots tailored to actual service scenarios, providing practical data to support future large-scale deployment.



Chairman's Statement

2026 will be a defining year for the Group to consolidate its operational capabilities and realise the potential of innovative management models. While maintaining stable operations, the Group will focus on its major businesses, leverage existing strengths, and ensure overall operational quality through refined management and enhanced compliance. Over the past two years, the Group has gradually phased out low-efficiency projects. In the coming year, it will further optimise its project portfolio, concentrating on high-quality, cash-generating projects and ensuring the sustainability of their profitability. Although this may lead to a temporary contraction in scale in the short term, it will support the Group's healthy long-term development. The Group will also continue to enhance cash flow performance, with particular emphasis on improving collection rates for residential properties, while balancing scale and fee collection for public buildings and city services. It will adhere to the principle that expenditure is determined by revenue, eliminating high-risk prepayments and overdrawing. At the same time, the Group will actively collect payments and assets from related parties and third parties, effectively controlling the scale of receivables. Cost efficiency will be strengthened through higher level of centralised procurement from quality suppliers, the cultivation of in-house engineering and maintenance teams, and the adoption of energy-saving and green measures to reduce energy consumption and waste. Moreover, the Group will continue to optimise its organisational structure, expand economies of scale, enhance professional capabilities, and improve collaboration across units, while maintaining strict control over management expenditure.

Secure and comfortable housing is the foundation of people's well-being. In 2025, China's Two Sessions highlighted the development of safe, comfortable, green, and smart homes, establishing a new path for industry transformation. The creation of good house, however, is inseparable from quality services. The Ministry of Housing and Urban-Rural Development has further encouraged property management enterprises to explore the "property services + living services" model that combine property management with broader living services, extending professional services into households. In the future, convenience and living services are expected to offer significant growth opportunities. The Group will closely monitor customer needs and industry transformation trends, extending its offerings from basic property management to comprehensive, full-life-cycle diversified services, aiming at becoming a leader in delivering enhanced living experiences and a one-stop strategic service partner for property owners. The Group will continue to generate value for key stakeholders - clients, employees, the Company, shareholders, and society. By leveraging professional services to support urban governance, placing property owners at the centre to safeguard primary-level well-being, actively participating in community renewal initiatives, and pursuing diversified and differentiated innovation, the Group aims to integrate its own development with the broader transformation of both the industry and the nation.

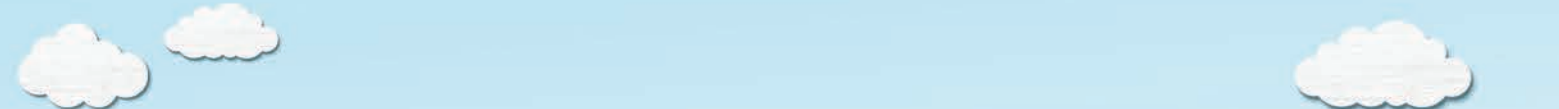
The Group firmly believes that by embracing the corporate mission of "Lifelong Caring for You, Heartwarming Service to City" and placing service quality at its core, it will gradually build a level of trust and recognition with property owners that extends beyond a property service provider, establishing an efficient, modern, intelligent, and warm brand image. In 2026, the Group will be guided by the principles of stable operations, strengthening of the brand, refining management, and exploring new growth opportunities. By maintaining a long-term perspective and a commitment to deep value creation, the Group aims to achieve sustainable co-creation, shared benefits, and mutual prosperity with society, property owners, and all stakeholders.

ACKNOWLEDGEMENT

On behalf of the board (the "Board") of directors (the "Directors") of the Company, we would like to extend our heartfelt gratitude to our Shareholders and customers for their enormous support and to all our staff members for their dedicated efforts, which contributed greatly to the development of the Group.

Chan Cheuk Hung/Wang Haiyang
Co-Chairman of the Board

Hong Kong, 31 March 2026



Management Discussion and Analysis

BUSINESS REVIEW

In 2025, amid weak momentum in the global economic recovery and escalating geopolitical conflicts, China's economy withstood multiple pressures and maintained steady, progressive growth. The real estate market continued its bottoming-out adjustment. Guided by policies aimed at stabilising the property market and halting its decline, the real estate industry made orderly progress in ensuring housing delivery and optimising mortgage credit. However, overall new home sales remained weak as market confidence took time to recover.

The property management industry has also embarked on a new phase of high-quality development. At the policy level, the national "15th Five-Year Plan" explicitly proposed "implementing an action plan to improve the quality of property services" for the first time, leading to a comprehensive upgrade to the standardised governance of the property management industry. The industry is set to play a key role in grassroots governance and public welfare, with both regulatory oversight and market demand placing higher expectations on enterprises. Meanwhile, the industry is undergoing profound adjustments in response to changes in the external environment and policies, with slower growth and intensified competition in the existing market. Enterprises are gradually shifting their focus toward quality improvement, professionalised operations, and the development of smart capabilities.

Faced with challenges from the external environment and the industry, the Group responded to policy calls and embraced the trend of transformation, focusing on enhancing its "service capabilities" and "product capabilities", optimising its business and project structure, and continuously stepping up the integration of technologies such as AI, the IoT, and big data with property services. This has enabled the Group to build a diversified value-added service ecosystem that is more focused and sustainable, driving its shift toward high-quality development. Meanwhile, the Group actively fulfils its social responsibilities by following the guidance of Party building, serving the community, expanding the "Five-Party Co-Building" model, engaging in public welfare, and promoting green and low-carbon development, thereby achieving win-win results in value creation with all stakeholders. During the Year, the Group recorded revenue of RMB12,892.5 million and gross profit of RMB1,677.2 million. As at 31 December 2025, the GFA under management of the Group was 502.8 million sq.m..

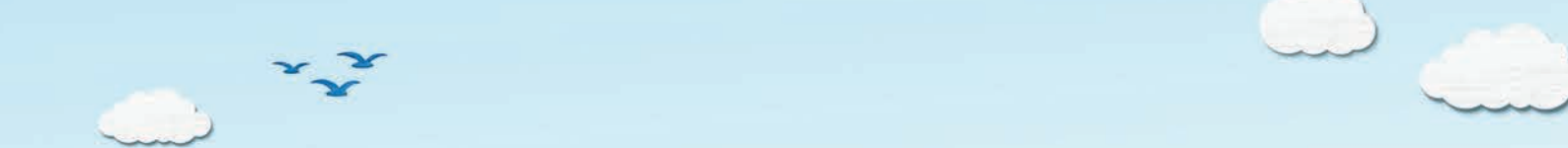
The Group's principal businesses include: (i) property management services; (ii) property owners value-added services; (iii) city services; and (iv) extended value-added services.

Property management services

Property management services, which include security, cleaning, greening, gardening, repair and maintenance, etc., are the main source of revenue of the Group.

In 2025, the Group upheld the principle of "quality as the lifeline", continued to strengthen its service foundation, and comprehensively upgraded the "Good Service" framework. During the Year, the Group continuously improved its tiered residential service product system, compiling and issuing hundreds of tiered service SOPs. It focused on the needs of property owners, striving to implement on-site service standards. Monthly "Customer Satisfaction Improvement Campaigns" were launched, targeting areas such as fire safety, elevator management, service scope. The annual rectification rate for quality issues exceeded 98%, the customer complaint resolution rate stood at 98%, and the integrity rate of equipment such as fire protection and elevators exceeded 97%. The Group acknowledged the importance of community culture development. The Xiaoya Commune IP (小雅公社IP) organised over 8,000 community cultural activities, attracting over 500,000 property owners, receiving widespread praise. These activities helped strengthen the relationship among residents and enriched the cultural atmosphere of the communities.

During the Year, the Group deepened its strategic transformation towards a quality- and efficiency-driven model and completed a nationwide study on city classification and strategies for its business segments. Focusing on core cities and penetrated cities, the Group clarified its core business segments and optimised its expansion team and brand building. Through a differentiated expansion strategy, the Group achieved third-party market expansion of an annualised contract value of over RMB1.1 billion, securing high-quality projects in top-tier core cities across sectors such as cultural and sports venues, government office buildings, educational institutions, and transport hubs. This consolidated the Group's advantages in niche markets and supported quality growth. Meanwhile, to balance scale and efficiency, the Group implemented a classification and grading system for projects, decisively discontinuing and terminating low-efficiency projects to optimise its portfolio and geographical footprint, and to concentrate resources in core areas and core business segments.



Management Discussion and Analysis

The Group steadily advanced its digital and smart initiatives to improve service quality and operational efficiency. During the Year, it deployed smart IoT devices, including intelligent security and fire protection systems, cleaning robots, and smart energy management solutions, providing comprehensive AI-enabled monitoring for communities and boosting the efficiency of professional services. The Group also explored distinctive smart management models for public buildings, such as stadiums and schools, building a platform-level smart ecosystem and achieving initial success in delivering smart solutions. In addition, it enhanced the functional integration of frontline service tools by introducing digital features such as a steward AI assistant and IoT device alerts, improving the experience for property owners and the efficiency of customer service.

During the Year, revenue from property management services amounted to approximately RMB10,636.1 million (corresponding period of 2024: RMB10,980.9 million), representing a year-on-year decrease of 3.1%. Among which, revenue from residential property projects amounted to RMB4,511.0 million (corresponding period of 2024: RMB4,562.1 million), representing a year-on-year decrease of 1.1%. Revenue from non-residential property projects amounted to RMB6,125.1 million (corresponding period of 2024: RMB6,418.8 million), representing a year-on-year decrease of 4.6%.

Breakdown of the Group's GFA under management

As at 31 December 2025, the Group's total GFA under management was 502.8 million sq.m., of which GFA under management from third-party projects accounted for approximately 81.8%. Third-party projects remained the Group's primary source of GFA under management.

The project portfolio for GFA under management

The Group's projects under management include residential properties, public buildings and commercial and office buildings, etc. As at 31 December 2025, residential properties accounted for 48.7% of the Group's total GFA under management, public buildings accounted for approximately 41.1%, and commercial buildings and others accounted for approximately 10.2%.

The geographic coverage for GFA under management

As at 31 December 2025, the number of Group's projects under management was 3,864 covering 28 provinces, municipalities and autonomous regions and 193 cities nationwide. The Group placed strong emphasis on business quality and continued to optimise its project portfolio during the Year by gradually discontinuing projects with unsatisfactory profitability or cash flow performance. In line with its strategic market roadmap, it also discontinued or scaled down operations in isolated cities to increase project concentration and consolidate its scale advantages in economically more developed regions, and due to the consolidation of certain projects, the number of projects under management and the number of cities covered declined.

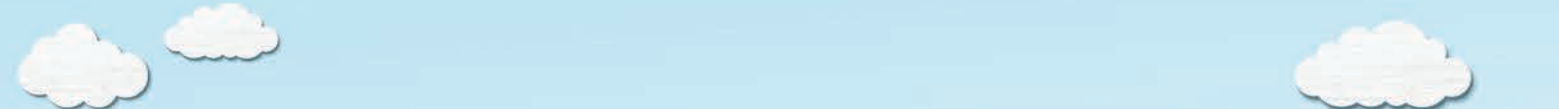
By region, 31.5% of the Group's GFA under management was located in the Yangtze River Delta region, 20.8% in the Guangdong-Hong Kong-Macao Greater Bay Area, 7.9% in the Shandong Peninsula city cluster, 8.2% in the Chengdu-Chongqing city cluster, while the remaining spread across other regions in the PRC.

Charging mode

The Group primarily adopts a lump-sum contract basis as its mode of fee charging, which is conducive to improving service quality and operational efficiency.

The Group's contracted GFA

Contracted GFA is defined by the Group as areas agreed in the contracts signed with property developers or property owners for the provision of property management services, including both delivered and to-be-delivered GFA (i.e. reserved GFA). Given that the Group has established a diversified business portfolio, the reserved GFA concept is not applicable to non-residential properties, including public buildings, commercial buildings and others. Therefore, the Group will cease the disclosure of contract GFA data starting from the current reporting year.



Management Discussion and Analysis

Property owners value-added services

Property owners value-added services mainly include living and comprehensive services, home improvement services, community space operation and other services, as well as value-added services to institutions and enterprises, which focus on improving the work and living experience of property owners and residents and preserving and increasing the value of their properties.

The Group has been accelerating the market-oriented transformation of its property owners value-added service, optimising its business structure around three core services: local living, space services, and asset services, and building a light-asset, sustainable, diversified business ecosystem. Local living and comprehensive services focus on high-frequency family needs. During the Year, guided by the brand concept of “worry-free, convenient service at home” (省心服務 · 便民到家), the Group deepened its focus on essential community living services and incubated distinctive consumer products for the needs of the elderly and children. It added convenient service categories to the A-Steward platform, enhanced user experience, and improved property owners’ stickiness. It also upgraded the product selection mechanism for community retail, streamlined product categories, and focused on profitable core retail products, with core products contributing 80% of profits during the Year. For asset services, including home improvement services, the Group actively pursued business transformation by exploring new businesses such as real estate agent service, house repair, and renovation of old residential communities to cope with the pressure from declining delivery of new houses and associated service demand. Space operation and other services faced challenges from changes in the macro environment and market landscape. The Group responded by adjusting its strategies in a timely manner and, through a self-operated model, improved the utilisation rate of advertising resources and venue occupancy during the Year.

During the Year, the revenue from property owners value-added services amounted to approximately RMB1,060.1 million, representing a decrease of 17.9% from RMB1,291.6 million in corresponding period of 2024, and accounting for approximately 8.2% of the total revenue.

- (1) Living and comprehensive services include property maintenance, housekeeping, courtyard gardening, community retail, energy-saving renovation, express delivery, tourism, community second-hand leasing and sales services, comprehensive consulting services, etc. During the Year, revenue from living and comprehensive services was approximately RMB325.2 million, representing a decrease of 29.1% from RMB458.7 million in the corresponding period of 2024. The year-on-year decline in revenue of such business was primarily due to: 1) an upgrade to the product selection mechanism in the community retail business, which involved proactive streamlining of product categories, focusing on core products with higher profit margins, and discontinuing the sale of low-performing products, resulting in a significant year-on-year decline in overall revenue; and 2) the optimization of the business model in the housekeeping business, where joint-venture operations were discontinued in favour of a self-operated model to ensure quality, leading to a decline in revenue. Living and comprehensive services accounted for approximately 30.7% of revenue from property owners value-added services.
- (2) Home improvement services primarily include decoration, turnkey furnishing and community renewal services, etc. During the Year, revenue from home improvement services amounted to approximately RMB39.4 million, representing a decrease of 48.9% from RMB77.0 million in the corresponding period of 2024, mainly due to the decline in demand for home improvement business, caused by the continuous impact of the overall downturn in the real estate market on the property resources-related business. The Group has tapped the full potential of the existing market to mitigate certain adverse effects. Home improvement services accounted for approximately 3.7% of revenue from property owners value-added services.



Management Discussion and Analysis

- (3) Community space operation and other services primarily include club house operation services, property operation services, community-based advertising operation, parking lot management services and community asset operation, etc. During the Year, revenue from community space operation and other services amounted to approximately RMB457.3 million, representing a decrease of 0.5% from RMB459.8 million in the corresponding period of 2024. Despite the impact of intensified market competition and changes in the advertising market on its space-related business sector, the Group has proactively adjusted its strategy. By developing businesses such as short-term rental and self-operated advertising service, it enhanced resource utilization efficiency, maintaining a basically stable business scale. Community space operation and other services accounted for approximately 43.1% of revenue from property owners value-added services.
- (4) Value-added services to institutions and enterprises include featured value-added services for public buildings, such as catering, commuting services and material procurement services, as well as featured value-added services for commercial and office buildings, such as customized business platform for enterprises, conferencing services, centralised procurement and retailing for enterprises, etc. During the Year, revenue from value-added services to institutions and enterprises was approximately RMB238.2 million, representing a decrease of 19.5% from RMB296.1 million in the corresponding period of 2024. The decrease was mainly due to the Group's proactive optimization of its business portfolio and operational strategies, to gradually exit certain catering services with relatively lower profitability. Value-added services to institutions and enterprises accounted for approximately 22.5% of revenue from property owners value-added services.

City services

City services mainly include street cleaning and maintenance, domestic refuse collection and transportation, refuse classification, landscaping and gardening maintenance, municipal facility maintenance, urban space operation, community coordination and governance, smart city management solutions, etc. Currently, the Group's city service projects are mainly divided into single project contracting model and integrated sanitation services.

In 2025, the Group's city services focused on enhancing operational quality and improving cash flow, continued to deepen its engagement in high-quality projects, and gradually withdraw from projects with unsatisfactory payment collection, to safeguard healthy cash flow. During the Year, revenue from city services amounted to approximately RMB1,106.4 million, representing a decrease of 15.1% from RMB1,303.6 million in corresponding period of 2024 (restated), and accounting for approximately 8.6% of the total revenue.

Extended value-added services

Extended value-added services primarily include sales centre property management services and other extended value-added services for property developers.

During the Year, the Group recorded revenue from extended value-added services of approximately RMB89.9 million (corresponding period of 2024: RMB366.3 million), representing a decrease of 75.5% from 2024 and accounted for approximately 0.7% of the total revenue. Mainly affected by the continuously sluggish real estate market development and sales, the demand for sales centre property management and relevant services has decreased accordingly. At the same time, the Group maintained the principle of cash flow priority, proactively reduced cyclical business, and strengthened risk control to improve the overall operating quality. Among which:

- (1) Sales centre property management services (accounting for 99.8% of the revenue from the extended value-added services): the revenue for the Year amounted to approximately RMB89.7 million, representing a decrease of 67.8% from RMB278.8 million in the correspond period of 2024.
- (2) Other extended value-added services (accounting for 0.2% of the revenue from the extended value-added services): include property agency services and housing inspection services, etc. The revenue for the Year amounted to RMB0.2 million, representing a decrease of 99.8% from RMB87.5 million in the corresponding period of 2024.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue was derived from four major business lines: (i) property management services; (ii) property owners value-added services; (iii) city services; and (iv) extended value-added services.

For the year ended 31 December 2025, the Group's revenue amounted to RMB12,892.5 million (corresponding period of 2024 (restated): RMB13,942.4 million), representing a decrease of 7.5% as compared with that of last year. Among which, revenue from property management services, property owners value-added services and city services businesses totalled RMB12,802.6 million, representing a year-on-year decrease of 5.7%, and accounting for 99.3% of the Group's total revenue.

	For the year ended 31 December				Growth rate %
	2025 (RMB million)	Percentage of revenue %	2024 (RMB million) (Restated)	Percentage of revenue %	
Property management	10,636.1	82.5%	10,980.9	78.7%	-3.1%
— Residential property projects	4,511.0	35.0%	4,562.1	32.7%	-1.1%
— Non-residential property projects	6,125.1	47.5%	6,418.8	46.0%	-4.6%
Property owners value-added services	1,060.1	8.2%	1,291.6	9.3%	-17.9%
City services	1,106.4	8.6%	1,303.6	9.4%	-15.1%
Subtotal:	12,802.6	99.3%	13,576.1	97.4%	-5.7%
Extended value-added services	89.9	0.7%	366.3	2.6%	-75.5%
— Sales centre property management services	89.7	0.7%	278.8	2.0%	-67.8%
— Other extended value-added services	0.2	0.0%	87.5	0.6%	-99.8%
Total	12,892.5	100.0%	13,942.4	100.0%	-7.5%

Cost of sales

The Group's cost of sales primarily consists of employee benefit expenses, cleaning expenses, security charges, maintenance costs, utilities, greening and gardening expenses, cost of consumables, depreciation and amortisation charges and others.

During the Year, the Group's cost of sales was RMB11,215.2 million (corresponding period of 2024 (restated): RMB11,857.9 million), representing a year-on-year decrease of 5.4%, which was primarily due to the Group's proactive optimization of its business and project structure, in response to the changes in the external environment and intensified existing market competition within the industry. The Group continued to terminate its business with poor cash flow performance and low operational efficiency, resulting in a slight decrease in overall revenue and a corresponding decline in the related costs. Nevertheless, the Group has continued to enhance its service quality, leading to an increase in the maintenance costs and rising manpower cost pressures. Therefore, the decline in costs has been less than the decline in revenue.

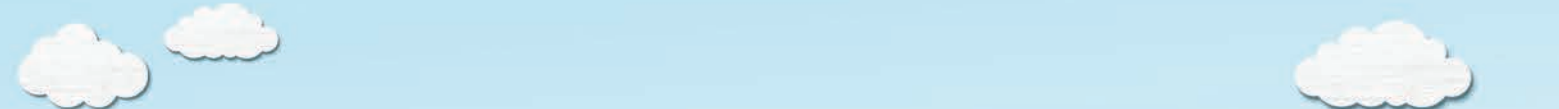
Management Discussion and Analysis

Gross profit and gross profit margin

	For the year ended 31 December				Growth rate %
	2025	Gross profit margin %	2024	Gross profit margin %	
	Gross profit (RMB million)		Gross profit (RMB million) (Restated)		
Property management services	1,360.8	12.8%	1,538.5	14.0%	-11.5%
Property owners value-added services	198.3	18.7%	283.0	21.9%	-29.9%
City services	119.6	10.8%	194.2	14.9%	-38.4%
Subtotal:	1,678.7	13.1%	2,015.7	14.8%	-16.7%
Extended value-added services	-1.5	-1.7%	68.9	18.8%	-102.2%
Total	1,677.2	13.0%	2,084.6	15.0%	-19.5%

During the Year, the Group's gross profit amounted to RMB1,677.2 million, representing a decrease of 19.5% as from RMB2,084.6 million in the correspond period of 2024 (restated). Gross profit margin decreased by 2.0 percentage points to 13.0% from 15.0% in the correspond period of 2024 (restated). Among which, the total gross profit of property management services, property owners value-added services and city services was RMB1,678.7 million, representing a year-on-year decrease of 16.7%.

- The gross profit margin of property management services was 12.8% (correspond period of 2024: 14.0%), representing a decrease of 1.2 percentage points as compared with the correspond period of 2024, which was mainly due to the Group's increased service investment during the Year to ensure the stability of service quality and high-quality projects and enhance property owners' satisfaction, given the increasingly fierce competition in the existing property management market. Meanwhile, affected by the economic environment, property owners have become more sensitive to prices, and their ability to pay property management fees and willingness to accept price increases have also changed. These factors have, to some extent, constrained the pricing flexibility of certain projects. Excluding the effect of amortisation of intangible assets due to the merger and acquisition, the gross profit was RMB1,482.7 million and the gross profit margin was 13.9%.
- The gross profit margin of property owners value-added services was 18.7% (correspond period of 2024: 21.9%), representing a decrease of 3.2 percentage points as compared with the correspond period of 2024, mainly due to the Group's acceleration of its transformation towards market-oriented, leading to a further reduction in the proportion of real estate resource-related business with relatively higher gross margins.
- The gross profit margin of city services was 10.8% (corresponding period of 2024 (restated): 14.9%), representing a decrease of 4.1 percentage points as compared with the corresponding period of 2024, which was mainly due to the focus on enhancing operational quality and improving cash flow, and the Group's withdrawal from certain projects with high gross margins but unsatisfactory cash flow performance.
- The gross profit margin of extended value-added services was -1.7% (corresponding period of 2024: 18.8%), representing a decrease of 20.5 percentage points as compared with the correspond period of 2024, which was mainly due to the proactive reduction in the scale of property-related business, and the Group's continuous exit business with poor cash flow performance, although related costs continued to be incurred during the year.



Management Discussion and Analysis

Sales and marketing expenses

During the Year, the Group's sales and marketing expenses amounted to RMB38.8 million (corresponding period of 2024 (restated): RMB43.3 million), accounting for 0.3% of the revenue, relatively unchanged from the same period in 2024.

Administrative expenses

During the Year, the Group's administrative expenses amounted to RMB647.6 million, representing a decrease of 19.4% as compared with RMB803.8 million in the corresponding period of 2024 (restated), and accounting for 5.0% of the revenue, representing a decrease of 0.8 percentage point as compared with the corresponding period of 2024.

Net impairment losses on financial assets

During the Year, the Group's net impairment losses on financial assets amounted to RMB537.8 million (corresponding period of 2024: RMB4,329.3 million), representing a year-on-year decrease of 87.6%, which was mainly due to no additional significant impairment provisions for transactions and other receivables from related party during the Year.

Other income

During the Year, other income of the Group amounted to RMB109.5 million (corresponding period of 2024 (restated): RMB106.5 million), representing a year-on-year increase of 2.7%, which was mainly due to the increase in government grants.

Income tax

During the Year, the Group's income tax expense was RMB56.0 million (the income tax credit for the corresponding period of 2024: RMB377.7 million). The income tax rate was 20.5% (corresponding period of 2024 (restated): 10.7%). The income tax rate for the Year increased by 9.8 percentage points year on year, mainly due to no additional significant impairment provisions for transactions and other receivables from related party and corresponding deferred income tax during the Year.

Profit

During the Year, the Group's net profit was RMB216.6 million, compared to a net loss of RMB3,158.3 million in the correspond period of 2024 (restated), which was mainly due to no additional significant impairment provisions for transactions and other receivables from related party during the Year. Net profit margin was 1.7% (corresponding period of 2024 (restated): -22.7%).

Adjusted net profit was RMB784.2 million, representing a decrease of 26.2% from RMB1,061.9 million in the correspond period of 2024 (restated). Adjusted net profit margin was 6.1%, representing a decrease of 1.5 percentage points from 7.6% in the correspond period of 2024 (restated). For property management services, property owners value-added services and city services, the adjusted net profit was RMB803.4 million, representing a decrease of 22.1% from RMB1,031.8 million in the correspond period of 2024 (restated), and the adjusted net profit margin was 6.3%, representing a decrease of 1.3 percentage points from 7.6% in 2024.

Current assets, reserves and capital structure

During the Year, the Group maintained a sound financial position. As at 31 December 2025, current assets amounted to RMB12,534.6 million, representing a decrease of 3.0% from RMB12,916.2 million as at 31 December 2024 (restated). As at 31 December 2025, cash and cash equivalents of the Group amounted to RMB3,044.7 million, representing a decrease of 8.3% from RMB3,318.7 million as at 31 December 2024 (restated). As at 31 December 2025, the Group's cash and cash equivalents were mainly held in Renminbi, Hong Kong dollars and United States dollars.

As at 31 December 2025, the Group's total equity was RMB11,168.0 million, representing a decrease of RMB64.2 million or 0.6% as compared with RMB11,232.2 million as at 31 December 2024 (restated).



Management Discussion and Analysis

Property, plant and equipment

The Group's property, plant and equipment mainly comprise buildings, office equipment, machinery equipment and other fixed assets. As at 31 December 2025, the net value of the Group's property, plant and equipment amounted to RMB904.0 million, representing a decrease of 11.8% as compared with RMB1,025.2 million as at 31 December 2024 (restated), mainly due to depreciation during the period.

Other intangible assets

As at 31 December 2025, the net book value of intangible assets of the Group was RMB736.4 million, representing a decrease of 19.5% as compared with RMB914.2 million as at 31 December 2024 (restated). Intangible assets of the Group mainly included (i) RMB28.9 million from the trademark value of member companies; (ii) RMB1,764.0 million generated from customer relationship and backlogs attributable to member companies; (iii) the software developed and purchased by the Group; and (iv) partially offset by amortisation of trademarks, customer relationships and software. Trademarks, customer relationship and software had a specific validity period and were carried at cost less accumulated amortisation.

Goodwill

The goodwill was primarily derived from the expected future developments of the member companies, expansion of market coverage, diversification of service portfolio, integration of value-added services and improvement of management efficiency. As at 31 December 2025, the Group's goodwill was RMB2,543.4 million.

During the Year, no significant risk of goodwill impairment was identified.

Financial assets at fair value through profit or loss ("FVPL")

As at 31 December 2025, the Group's financial assets at FVPL amounted to RMB720.3 million, representing a decrease of 63.9% as compared with RMB1,993.7 million as at 31 December 2024, primarily due to the partial redemption of financial products.

Trade and other receivables and prepayments

As at 31 December 2025, trade and other receivables and prepayments (including current and non-current portions) amounted to approximately RMB9,502.6 million, representing an increase of 13.3% from RMB8,388.9 million as at 31 December 2024 (restated). Among which, trade receivables amounted to approximately RMB8,517.4 million, representing an increase of 0.6% as compared with RMB8,463.2 million as at 31 December 2024 (restated), which was mainly due to the impact of changes in market conditions and the payment capacity of property owners, resulting in a prolonged payment collection cycle; however, the Group has actively accelerated capital recovery through various channels, maintaining an overall stable balance of trade receivables. Other receivables amounted to approximately RMB5,244.0 million, representing an increase of 37.5% from RMB3,813.6 million as at 31 December 2024 (restated), which was mainly due to the increase of receivables from third parties.

Trade and other payables

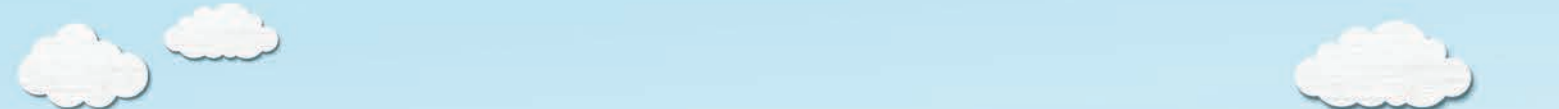
As at 31 December 2025, trade and other payables (including current and non-current portions) amounted to approximately RMB6,555.8 million, representing a decrease of 2.2% as compared with RMB6,701.1 million as at 31 December 2024 (restated), which was mainly due to changes in business scale and the orderly control of costs.

Borrowings

As at 31 December 2025, the Group had long-term borrowings of RMB256.3 million, among which RMB196.0 million will be repayable within one year. The Group also had short-term borrowings of RMB96.0 million with maturities of less than one year.

Gearing ratio

The gearing ratio is calculated as total borrowings divided by total equity, which is the sum of long-term and short-term interest-bearing bank borrowings and other borrowings as at the corresponding date divided by the total equity as at the same date. As at 31 December 2025, the gearing ratio was 3.2%.



Management Discussion and Analysis

Current and deferred income tax liabilities

As at 31 December 2025, the current income tax liabilities of the Group amounted to RMB406.0 million, representing a decrease of 12.1% as compared with RMB462.1 million as at 31 December 2024 (restated), which was mainly because of the decline in current income tax expenses. Deferred income tax liabilities decreased to RMB198.2 million from RMB246.8 million as at 31 December 2024.

Pledge of assets

As at 31 December 2025, the long-term borrowings amounting to RMB166.3 million and the short-term borrowings amounting to RMB57.6 million were secured by certain property, plant and equipment, investment properties and trade receivables of the Group. Details of the Group's pledge of assets as at 31 December 2025 are set out in note 15, 16 and 20 to the consolidated financial statements.

Significant investment held, material acquisitions and disposals of subsidiaries, associates and joint ventures

There was no significant investment held, no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the Year.

Contingent liabilities

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

Key risk factors and uncertainties

The following content lists out the key risks and uncertainties confronted by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Industry risk

The Group's operations are subject to the economy of the PRC and changes in the macro environment of the real estate industry, as well as the regulatory environment and measures affecting the property management industry in the PRC. In particular, the Group's business performance primarily depends on the total contracted and revenue-bearing GFA, level of fees and the number of properties the Group manages, but the Group's business growth is, and will likely continue to be, subject to factors of macro development of the industry and the upstream industries.

Business risk

The Group's ability to maintain or improve the current level of profitability depends on the Group's ability to control operating costs (including labour costs), and the Group's profit margins and results of operations may be adversely affected by the increase in labour or other operating costs; should the Group be unable to procure new property management service contracts or renew existing management service contracts as planned or at desirable pace or price, the Group's revenue may also be adversely affected; should the Group be unable to collect property management fees from customers on time, it may incur impairment losses on receivables; the above may also affect the assessment and impairment risk of goodwill, the performance of operating cash flows and adversely affect the Group's financial position and results of operations.

Foreign exchange risk

The Group's businesses were principally located in the PRC. Except for bank deposits and financial assets at FVPL denominated in HK\$ and US\$, the Group was not subject to any other material risk directly relating to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, take prudent measures and develop hedging strategy as appropriate to reduce foreign exchange risks.



Management Discussion and Analysis

Employees and remuneration policies

As at 31 December 2025, the Group had 82,030 employees (31 December 2024: 86,873). During the Year, total staff costs amounted to RMB5,328.0 million.

The compensation plan of the Group is determined with reference to the market levels as well as employees' performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides employees with a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training programs appropriate to the employees' needs.

Apart from taking into account the advice from the remuneration and appraisal committee of the Board and the market levels, the Company also considers the competency, contributions and the responsibilities towards the Company in determining the level of remuneration for the Directors. Appropriate benefit schemes are in place for the Directors.

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

As at the date of this report, the Group did not have any significant event subsequent to 31 December 2025.

Business Development

The Group adheres to the corporate mission of “lifelong caring for you, heartwarming service to city”, and focuses on service quality. The business involves property management services, property owners value-added services, city services and extended value-added services. The Group has developed comprehensive service capabilities covering diversified business portfolios, all operational scenarios, and the whole industry chain, striving to become a preeminent quality service provider in China.

In 2025, under the development strategy of “stabilizing operations, controlling risks, seeking breakthroughs, and brand building”, the Group focused on developing “service capabilities” and “product strengths” in non-cyclical business to achieve stable operations. In terms of property management services, we adhered to the service quality as lifeline, comprehensively upgraded the “good service” system, optimized tiered service standards for residential properties, with a focus on enhancing service reputation, and further deepened the application of digital and intelligent technologies such as AI and the Internet of Things, thereby improving property owners’ experience and the efficiency of customer service. Property owners value-added services proactively responded to changes in consumer demand by adjusting the business structure. Centering on three major service offerings – local living, space services, and asset services – the Group built a diversified, asset-light and sustainable business ecosystem. City services placed emphasis on operating efficiency, continued to deepen engagement in high-quality projects, and took the initiative to withdraw from projects with payment collection below expectations, so as to safeguard cash flow and drive the transition toward an asset-light service model.

BENCHMARK MID-TO HIGH-END RESIDENTIAL AND COMPLEX PROJECTS



Agile Chairman Zhengzhou



Macao New Neighborhood

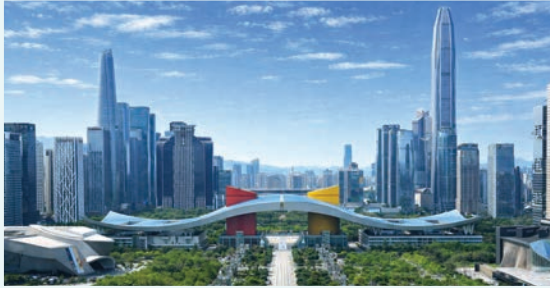


Suzhou Yuqin Garden



Eton Place Dalian

HIGH-QUALITY PUBLIC BUILDINGS AND COMMERCIAL AND ENTERPRISE SERVICE PROJECTS



Shenzhen Civic Center



Jining Municipal Government



Jiangxi Provincial Library



Southern Han Mausoleums Museum



Shandong University (Qingdao Campus)



Harbin Institute of Technology (Weihai Campus)



Wuxi (National) Software Park, Phases V & VI



Qianxi Square of Zhengzhou

Business Development

BUSINESS SEGMENTS

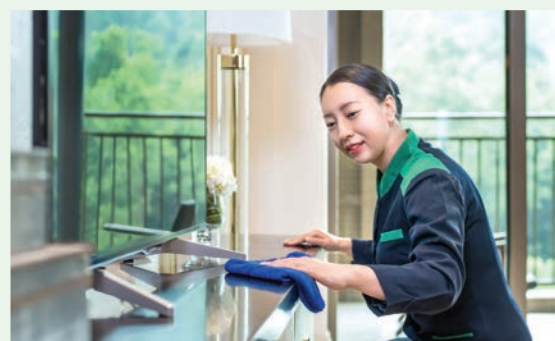
Property management services

Property management services include security, cleaning, greening, gardening, repair and maintenance, etc. Property management service is one of the Group's core business segments and a major source of income.



Property owners value-added services

Property owners value-added services mainly include living and comprehensive services, home improvement services, community space and other services, and value-added services to institutions and enterprises. This business segment focuses on improving the working and living experience of property owners and residents at the properties under management to achieve preserving and increasing the value of their properties.



City services

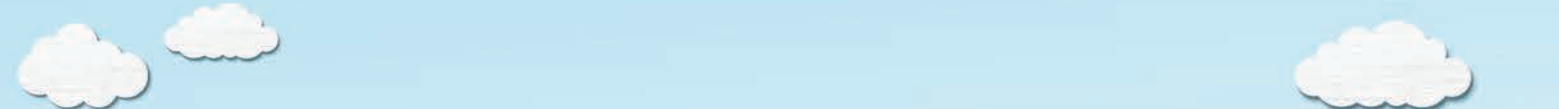
City services mainly include street cleaning and maintenance, domestic refuse collection and transportation, refuse classification, landscaping and gardening maintenance, municipal facility maintenance, urban space operation, community coordination and governance, smart city management solutions, etc. Currently, the Group's city service projects are mainly divided into single project contracting model and integrated sanitation services, etc.



Extended value-added services

Extended value-added services primarily include sales centre property management services and other extended value-added services for property developers.





Investor Relations

The Group adheres to the principles of truthfulness, accuracy, completeness, timeliness and fairness, disseminates information such as operating results, business development as well as other compliance information and disclosures to the capital market through a professional investor relations team in accordance with the Listing Rules and relevant laws and regulations, so as to help investors understand its business performance and development strategies more comprehensively.

The Group maintains close communication with shareholders, analysts and potential investors through a variety of channels. In compliance with the Listing Rules, we are committed to providing regular, timely, accurate and comprehensive information, enabling shareholders and the public to gain a full understanding of the Group's operational performance, business development and investment value. During the Year, the Group actively maintained close contact with shareholders, potential investors and analysts by convening the annual general meeting, having annual and interim results investor presentations, organising events such as open days, participating in roadshows, investor conference and summit and, through various other methods, enhanced investors' understanding of the Group's development strategies and competitive advantages, and strengthened the market's recognition of the Group's long-term value. At the same time, the Group further enhanced the efficiency of information dissemination and improved the reach and engagement of investor communications by digital tools such as live streaming and WeChat official accounts.

The Group has established a rigorous information disclosure review system to conduct thorough checks on disclosed content. We are also continuously optimising our internal communication and collaboration mechanisms to enhance information sharing and coordination across departments, thereby ensuring the accuracy and reliability of information disclosed to the public.

Under all circumstances, the Group exercises prudence to ensure no selective disclosure of price-sensitive information. The Group's information, including key corporate governance policies, terms of reference of Board committees, financial reports and announcements are available on the "HKEXnews" platform of the Stock Exchange of Hong Kong Limited or the Group's website.

In the future, the Group will continue to proceed investor relations work with professionalism, efficiency and compliance, to maintain an efficient and diversified communication mechanism with the capital markets, thereby further enhancing their understanding, recognition and trust in the Group. The Group will continue to communicate important information such as corporate culture, business progress and strategic plans to the market in a timely manner, in compliance with the Listing Rules and relevant regulations, and will continue to deepen investor relations work to create long-term value for shareholders.



Biographies of Directors

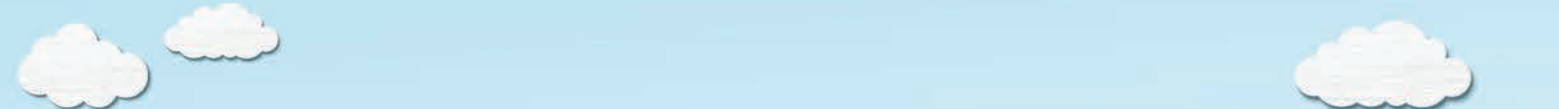
Mr. Chan Cheuk Hung (陳卓雄), aged 68, has been re-designated as an executive Director and co-chairman of the Board with effect from 31 May 2018. Prior to that, he was a non-executive Director since 21 July 2017. He has been the co-chairman of the Board since 27 August 2017 and is a member of the risk management committee of the Board. Mr. Chan is responsible for the formulation of development strategies and provision of guidance for the overall development of the Group. He served as an executive director of Agile Group Holdings Limited (the “Agile Holdings”) (a company listed on the Hong Kong Stock Exchange, stock code: 3383), from August 2005 to July 2025. He served as a non-executive director of Agile Holdings from July 2025 to April 2026 and was mainly responsible for providing guidance for the overall operation and environmental protection business of Agile Holdings. Mr. Chan has over 33 years of experience in real estate development and related businesses.

Mr. Chan received various awards including pioneer worker (先進工作者) for the year of 1998 by Zhongshan Individual Workers Association (中山市個體勞動者協會) and Zhongshan Private Enterprise Association (中山市私營企業協會) and the Outstanding Contribution Award for Community Development (小區建設突出貢獻獎) in the Evaluation of the National Representative Well-off Residential Community (國家小康住宅示範小區評比) by the Ministry of Construction of the PRC (中華人民共和國國家建設部) in 2000. Mr. Chan also served as an executive director of the second council of Zhongshan Private Enterprise Association (中山市私營企業協會第二屆理事會) and the fourth council of the Zhongshan Individual Workers Association (中山市個體勞動者協會第四屆理事會) in 1999, and a director and executive director of Guangdong Real Estate Association (廣東省房地產協會) in 2004.

Mr. Chan is the father of Mr. Chen Siyang, an executive Director.

Mr. Wang Haiyang (王海洋), aged 54, has served as an executive Director and the co-chairman of the Board of the Company since 28 May 2025. He is also the chairman of the Nomination Committee and the risk management committee of the Board, and a member of the remuneration and appraisal committee of the Board. Mr. Wang is also a director of certain subsidiaries of the Company. He is the senior vice president of Agile Holdings and is currently mainly responsible for the management of its Audit Centre. Mr. Wang joined the Agile Group in July 2011, and has served as the general manager of Agile Nanjing company and the president of Hainan and Yunnan region. Since 2017, he has served as the vice president of the Agile Group and the president of real estate group and has successively responsible for the management of real estate, real estate management, A-City and environmental protection. Mr. Wang has over 30 years of experience in real estate development and related business fields.

Mr. Wang holds a bachelor’s degree in construction engineering from Xi’an University of Technology in the PRC (中國西安理工大學). He obtained the qualification of Class 1 Registered Structural Engineer and Senior Engineer in Professor Level in the PRC. From March 2003 to July 2011, he was the general manager of China Machinery TDI International Engineering Co., Ltd., Zhongshan office (中機十院國際工程有限公司中山公司). He was awarded “the Sixth Hainan Province Honest and Trustworthy Moral Model” (“第六屆海南省誠實守信道德模範”), was elected as one of the “Top 10 Real Estate CEOs of the Year in China” (“中國十大地產年度CEO”) for three consecutive years from 2018 to 2020 and is currently a member of the ninth council of the China Real Estate Industry Association. He was ever the vice chairperson of Guangdong Province Real Estate Association (廣東省房地產協會), executive vice chairperson of Guangdong Commercial Real Estate Investment Association (廣東省商業地產投資協會).



Biographies of Directors

Mr. Li Dalong (李大龍), aged 41, has been an executive Director, the president (general manager) and chief executive officer of the Company since 21 July 2020. He is also a member of the remuneration and appraisal committee and the risk management committee of the Board. He was the chief financial officer from August 2016 to July 2020, the joint company secretary from August 2017 to July 2020, and the executive vice president from November 2019 to May 2020. He is responsible for overall strategic decisions, business planning and major operational decisions of the Group. Mr. Li is also a director of certain subsidiaries of the Company. He has over 21 years of experience in operations, finance, investment and capital markets.

Mr. Li has profound management experience as well as solid industry knowledge. Since the listing of the Group, he has been assisting the Board in formulating and implementing development strategies and highly enhanced the recognition of the Group in the industry and capital markets. Mr. Li has executed Group's strategy of industry consolidation and led the team completing several quality acquisitions including the acquisitions of A-Living Futurelife Property Management Services Limited (雅生活未來物業管理服務有限公司) and Minrui Property Management (Shanghai) Co., Ltd. (民瑞物業服務(上海)有限公司), to enhance the Group's business portfolio layout and to establish the leading advantages.

Prior to joining the Group, from November 2013 to June 2016, Mr. Li was a senior manager of the capital market department at PricewaterhouseCoopers (Hong Kong), an accounting firm, where he primarily provided a series of professional services in connection with capital markets transactions. From August 2005 to November 2013, Mr. Li successively served as auditor, senior auditor, manager and senior manager at PricewaterhouseCoopers Zhongtian LLP (Shanghai), an accounting firm.

Mr. Li is a member of the Chinese Institute of Certified Public Accountants in the PRC. He obtained his bachelor's degree in literature in July 2005, and second bachelor's degree in administration management in June 2005, from Shanghai Jiao Tong University (上海交通大學).

Mr. Chen Siyang (陳思楊), aged 41, has served as an executive Director of the Company since 21 July 2023, and has been the vice president of the Group since May 2023. He is in charge of the operation cost center and quality center of the Group. Mr. Chen has extensive experience in corporate governance, operation management and market resource development.

Mr. Chen joined Agile Holdings in 2010 and has held key positions in Agile Holdings and its industrial groups. From June 2010 to July 2016, he successively served as cost commissioner, cost manager and cost director of Agile Holdings. From August 2016 to February 2017, Mr. Chen was in charge of investment and operational business in the Group. From March 2017 to May 2023, Mr. Chen successively served as the vice president of the construction group, the co-chairman of the board of the real estate construction management group and the vice president of capital investment group of Agile Holdings.

Mr. Chen is the son of Mr. Chan Cheuk Hung, an executive Director and the co-chairman of the Company.



Biographies of Directors

Ms. Zhao Yu (趙昱), aged 46, has been an executive Director of the Company since 8 October 2025. She is also a member of the Nomination Committee. Ms. Zhao joined Agile Holdings in February 2007 and has previously served as the vice general manager of Xi'an Qujiang Agile Real Estate Development Co., Ltd. (西安曲江雅居樂房地產開發有限公司) and the vice president of Western China Region of Agile Holdings. Since July 2020, Ms. Zhao has been appointed as the vice president of the Group, responsible for assisting the chief executive officer of the Group in strategic management of the Group and responsible for human resources and administration and branding of the Group. Ms. Zhao is also a director of certain subsidiaries of the Company.

Ms. Zhao obtained the certificate of human resources manager (national qualification class 1) of the PRC, bachelor's degree in business administration from Xi'an University of Technology (西安理工大學) in the PRC and master's degree of business administration from Fudan University (上海復旦大學) in Shanghai in the PRC.

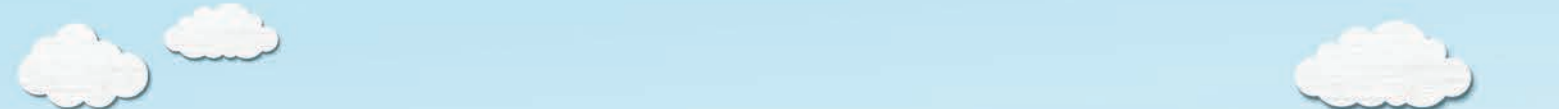
Mr. Wang Gonghu (王功虎), aged 51, has served as an independent non-executive Director of the Company since 21 July 2023. He is also the chairman of the audit committee of the Board, a member of each of the remuneration and appraisal committee, the Nomination Committee and the risk management committee of the Board. He was a supervisor of the Company from July 2020 to July 2023.

He is currently the vice president of Tianneng Financial Holdings Co., Ltd. (天能金融控股有限公司). Mr. Wang served as the chairman of Suzhou Yangtze New Materials Co., Ltd. (蘇州揚子江新型材料股份有限公司) ("Suzhou Yangtze") (a company listed on the Shenzhen Stock Exchange, stock code: 002652) from January 2021 to December 2022, and a director from January 2018 to December 2020. From July 2014 to December 2022, he had successively been a financial director, the chief financial officer, the chairman and the president of CMIG Futurelife Holdings Group Company Limited (中民未來控股集團有限公司), which is a substantial shareholder of the Group at a subsidiary level. From July 1997 to June 2014, he had held various positions including acting as a financial manager of Beijing Founder Electronics Co., Ltd. (北京北大方正電子有限公司), a financial director of Shanghai Hinge Software Co., Ltd. (上海和勤軟體技術有限公司), a deputy general manager of Copious Zhenjiang Fertilizer Co., Ltd. (科比斯鎮江肥業有限公司), a financial director of Shanghai QST Corporation (上海矽睿科技有限公司).

Mr. Wang is currently a senior accountant and a member of the Chinese Institute of Certified Public Accountants in the PRC.

Mr. Wang obtained his bachelor's degree in economics and management from Nanjing University in the PRC in 2002 and his master's degree in accounting from Shanghai University of Finance and Economics in the PRC in 2010.

On 14 November 2023, the Board learned that the China Securities Regulatory Commission (the "CSRC") has issued a formal decision of administrative penalties numbered [2023]75 (the "Decision of Administrative Penalties") against Suzhou Yangtze, and certain directors and senior management of Suzhou Yangtze, including Mr. Wang, regarding breach of securities laws and regulations. Based on the Decision of Administrative Penalties, from 2018 to 2020, Suzhou Yangtze had material omissions and falsely increased its revenue and made false disclosures in its 2018 to 2020 annual reports. Mr. Wang was the chairman of Suzhou Yangtze from September 2019 to October 2022 and signed the written confirmation for 2019 and 2020 annual reports in the capacity of the chairman of the board of Suzhou Yangtze, and was regarded as a directly responsible officer. The CSRC decided, among other decisions, to give a warning to and imposed a fine of RMB500,000 on Mr. Wang.



Biographies of Directors

To the best knowledge and belief of the Board having made all reasonable enquiries, the Decision of Administrative Penalties is not related to the Group and the financial and operation positions of the Group will not be affected by the Decision of Administrative Penalties. In view that Mr. Wang has actively reported the relevant issues and cooperated with CSRC in its investigation, the Company considers that nothing has suggested that the Decision of Administrative Penalties will affect his suitability to act as an independent non-executive Director.

For further details, please refer to the announcement of the Company dated 14 November 2023.

Mr. Weng Guoqiang (翁國強), aged 65, has served as an independent non-executive Director of the Company since 21 January 2022. He is also the chairman of the remuneration and appraisal committee, a member of each of the audit committee and the Nomination Committee. He has extensive experience in the property management industry in Shanghai for over 26 years. He had served as a general manager of Shanghai Lujiazui Property Management Co., Ltd. (上海陸家嘴物業管理有限公司) from October 1999 to May 2008 and as a general manager of Wuxi Dongzhou Property Management Company Limited (無錫東洲物業管理有限公司) from May 2008 to December 2009. Mr. Weng had taken up the positions of general manager and subsequently executive director in Shanghai Tonglai Property Management Company Limited (上海同涑物業管理有限公司) from January 2010 to August 2024.

Mr. Weng currently serves as an independent non-executive director of Riverine China Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1417) since November 2017.

Mr. Weng was the vice president of China Property Management Institute (中國物業管理協會) from 2002 to September 2014. Since October 2014, he has been the senior consultant of China Property Management Institute. Since 1999, Mr. Weng has been the vice president of Shanghai Property Management Industry Institute (上海市物業管理行業協會) (during the period between 2016 and 2017 served as the chairman of Shanghai Property Management Industry Institute).

Mr. Weng graduated with a Bachelor degree in Applied Mathematics from the Tongji University in the PRC in July 1982 and a Master degree in Public Administration from the University of Macau in Macau in September 2003.

Mr. Weng was accredited as a National Vocational Qualification Level 2 Vocational Management Professional (國家職業資格二級職業經理人) in May 2003 and a Level 1 Senior Vocational Management Professional (一級高級職業經理人) in September 2004 by the Shanghai Vocational Skill Testing Authority (上海市職業技能鑒定中心). Mr. Weng was also accredited as a Certified Property Manager by the Personnel Department of Shanghai (上海市人事局) in October 2006 and an Advanced Economist (高級經濟師) by the Personnel Department of Jiangsu Province (江蘇省人事廳) in September 2009.



Biographies of Directors

Mr. Li Jiahe (黎家河), aged 65, has served as an independent non-executive Director of the Company since 3 March 2023. He is also a member of each of the audit committee, the remuneration and appraisal committee, the Nomination Committee and the risk management committee of the Board. He has over 22 years of experience in property management related work. He had served as a manager of the finance department of Poly Development and Holdings Group Co., Ltd. (保利發展控股集團股份有限公司) (a company listed on Shanghai Stock Exchange, stock code: 600048) (“Poly Holdings”) from March 1993 to April 2000 and as a manager of the human resources department of Poly Holdings from September 2002 to January 2005. Mr. Li had served as a deputy general manager of Poly Property Services Co., Ltd. (保利物業服務股份有限公司) (formerly known as Poly Property Development Co., Ltd. (保利物業發展股份有限公司)) (a company listed on the Hong Kong Stock Exchange, stock code: 6049) (“Poly Property”) from May 2000 to August 2002, and as a general manager, a director and the chairman of Poly Property successively from January 2005 to April 2019. From May 2019 to August 2020, Mr. Li had served as an executive director and a member of the remuneration committee of Poly Property.

Mr. Li obtained a certificate of completion of corporate management (finance and investments) from Sun Yat-sen Business School (中山大學管理學院) in September 2004. Mr. Li was qualified as a property management manager in December 2005.



Biographies of Supervisors

Mr. Liu Jianrong (劉劍榮), aged 46, has served as a Supervisor and the president of the Supervisory Committee since 21 July 2020. He has been the general manager of the internal audit department of the Company since May 2018. Mr. Liu is also a supervisor of a subsidiary of the Company. Mr. Liu joined Agile Holdings in September 2015 as a senior manager of the internal audit department.

Prior to joining Agile Holdings, from July 2002 to September 2015, Mr. Liu served as an officer and a first-level police officer (deputy section-level) of the Tangxia police station in Tianhe District of Guangzhou Municipal Public Security Bureau.

Mr. Liu obtained the legal professional qualification certificate from the Ministry of Justice of the PRC. He obtained his bachelor's degree in international economic law in June 2002 from Nanjing University (南京大學).

Ms. Huang Zhixia (黃智霞), aged 43, has served as a Supervisor since 21 July 2017. She has been the administrative director of the Company since April 2015 and is responsible for administration. Ms. Huang is also a director or a supervisor of certain subsidiaries of the Company. Ms. Huang has over 20 years of experience in administration. Ms. Huang joined Agile Holdings in June 2004 as an administrative manager and was responsible for administration and management of Agile Holdings.

Ms. Huang graduated from Guangdong AIB Polytechnic College (廣東農工商職業技術學院) in the PRC with a major in e-commerce in June 2003 and graduated from Sun Yat-sen University (中山大學) in the PRC with a major in business management through online education in July 2013.

Mr. Wang Weiqiong (王衛瓊), aged 52, has served as a Supervisor since 29 May 2024. Mr. Wang has over 12 years of experience in the customized home furnishings industry. He has been the general manager of Zhongshan Shixing Decoration Co., Ltd. (中山市時興裝飾有限公司) ("Zhongshan Shixing") since 2015. Mr. Wang joined the Agile Group in 2007 as the administrative director of the Foshan Sanshui project. From August 2010 to January 2012, he served as the administrative manager of Zhongshan Shixing. From January 2012 to October 2015, he served as the assistant to the director of Agile Holdings.

Mr. Wang graduated from Beijing Normal University in the PRC in 1996 with a bachelor degree in moral and political education.

Mr. Zheng Jiancheng (鄭健程), aged 45, has served as a Supervisor since 21 July 2023. He has been the legal representative of Guangdong Zhuoguan Industrial Investment Co., Ltd. (廣東卓冠實業投資有限公司) since 2021. He worked as a director of the Government Project Management Center of Zhongshan Cuiheng New District (中山市翠亨新區政府項目管理中心) from 2015 to 2021. He worked as a standing deputy director of Urban Construction and Management Bureau of Sanxiang Town in Zhongshan City (中山市三鄉鎮城市建設和管理局) from 2009 to 2015.

Mr. Zheng holds the senior engineer qualification of constructional engineering management. He obtained his bachelor's degree in resources and environment and urban and rural planning management from Guangzhou University in the PRC in January 2009.

Mr. Wang Shao (王韶), aged 54, has served as a Supervisor since 21 August 2017.

Mr. Wang has been serving Guangdong Real Estate Association (廣東省房地產行業協會) since October 1994, and is currently the president where he is responsible for its overall management, including strategic planning, public relations and presiding the council meeting. Since June 2003, he has also served various positions in Southern Real Estate Magazine (南方房地產雜誌社), an affiliate to Guangdong Real Estate Association, where he is currently the president and is responsible for its overall management, including planning, management by objectives and communications and cooperations.

Mr. Wang currently serves as an independent non-executive director of Starjoy Wellness and Travel Company Limited (formerly known as Aoyuan Healthy Life Group Company Limited) (“Starjoy Wellness”, together with its subsidiaries, the “SW Group”) (stock code of Hong Kong Stock Exchange: 3662) and serves as a part-time external director for Guangzhou Metro Group Co., Ltd. and Guangzhou Construction Group Co., Ltd.

Mr. Wang graduated from Sun Yat-sen University (中山大學) in the PRC majoring in real estate brokerage and management in June 1994, and his bachelor’s degree in administration management from the same university in July 1999.

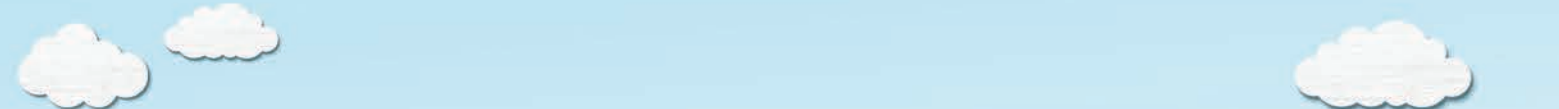
Mr. Wang is currently a managing director of China Real Estate Association (中國房地產協會).

The Stock Exchange published a statement of disciplinary action dated 13 January 2026 (the “Statement”) in relation to the public censure made against Starjoy Wellness, and 15 directors of Starjoy Wellness and/or China Aoyuan Group Limited (“China Aoyuan”) (stock code of Hong Kong Stock Exchange: 3883) (the “Relevant Persons”), including Mr. Wang, a supervisor of the Company. Mr. Wang is an independent non-executive director of Starjoy Wellness. The Listing Committee of the Stock Exchange found that, among others, the Relevant Persons (including Mr. Wang) breached Rule 3.08 of the Listing Rules as they failed to exercise reasonable skill, care and diligence in the discharge of their directors’ duties and to procure China Aoyuan and/or Starjoy Wellness to have in place adequate internal controls and procedures at the material time. The internal control deficiencies identified contributed to creating an environment which enabled fund outflows from SW Group to China Aoyuan and its subsidiaries without the knowledge of the other directors of Starjoy Wellness and China Aoyuan, managing conflicts of interest or complying with the Listing Rules requirements applicable to Starjoy Wellness (the “Incident”). Among other directions of the Stock Exchange, the Listing Committee of the Stock Exchange has directed Mr. Wang, together with other relevant directors of Starjoy Wellness, to attend 26 hours of training on regulatory and legal topics and Listing Rules compliance, including two hours on Rule 2.13 of the Listing Rules and three hours on each of (a) directors’ duties; (b) the Corporate Governance Code; and (c) Chapters 13, 14 and 14A of the Listing Rules (the “Training Requirement”).

For the avoidance of doubt, the Statement relates to Starjoy Wellness and the Relevant Persons only and (save for the above regarding Mr. Wang) does not involve any director or senior management of the Company. The Board has carefully assessed the information provided in the Statement. The Board considers that the Incident does not affect Mr. Wang’s ability to discharge his duties as a supervisor of the Company and that Mr. Wang has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a supervisor of the Company for the following reasons:

1. No finding and conclusion set out in the Statement stated that Mr. Wang is unsuitable to act as a director or supervisor of listed companies in Hong Kong;
2. The Incident detailed in the Statement does not involve any act of dishonesty, fraudulence or integrity issue on the part of Mr. Wang;
3. Mr. Wang has confirmed to the Company that he will comply with the Training Requirement; and
4. Based on the information available to the Board as at the date of this report, the Incident does not relate to the affairs of the Group and directors, supervisors and senior management of the Company (other than Mr. Wang), nor would it impact on the business operations of the Group.

For further details, please refer to the announcement of the Company dated 16 January 2026.



Biographies of Senior Management

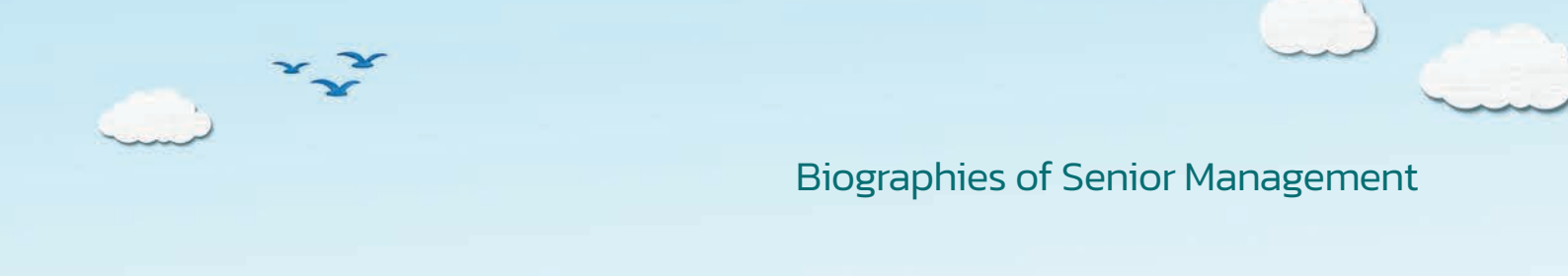
Mr. Wang Tao (王韜), aged 42, has been the vice president of the Group since July 2022. Since January 2024, he has served as the general manager of the operation management center of the Group, in charge of community commercial companies, and is responsible for coordinating the operation and management of the Group, community business and post-investment management. He served as the vice president of the public service company of the Group from October 2020 to December 2020, the general manager of the board secretary office from January 2021 to September 2021, the president of the community commercial service company from October 2021 to December 2021, the assistant to the president of the Group and the president of the community commercial company from January 2022 to June 2022, and the vice president of the Group and the president of the community commercial company, in charge of the investment management center, from July 2022 to December 2023. Mr. Wang is also a director of certain subsidiaries of the Company.

Mr. Wang has over 20 years of experience in finance, investment, post-investment management and capital markets, and has led and completed several mergers and acquisitions, IPO and capital market transactions. Before joining the Group, he was a partner of Gongqingcheng Dongxing Zhiming Investment Management Partnership (Limited Partnership) (共青城東興智銘投資管理合夥企業(有限合夥)) from October 2016 to September 2020, a vice president in investment of China Everbright Investment Co., Ltd. from October 2015 to September 2016. He was a senior manager of the capital market department at PricewaterhouseCoopers (Hong Kong) from October 2013 to February 2015 and successively served as auditor, senior auditor, manager and senior manager at PricewaterhouseCoopers Zhongtian LLP from August 2006 to September 2015.

Mr. Wang is a member of the Chinese Institute of Certified Public Accountants in the PRC. He obtained his bachelor's degree in management and statistics (second bachelor's degree) from Peking University (北京大學) in the PRC in July 2006.

Mr. Huang Jiayi (黃嘉毅), aged 44, joined the Group in June 2022 as the Chief Financial Officer and served as the joint company secretary from November 2022 to November 2025. He is responsible for the capital markets, accounting and financial management and company secretarial affairs of the Group. Mr. Huang is also a director of certain subsidiaries of the Company. Prior to joining the Group, from September 2004 to January 2010, Mr. Huang successively served as auditor, senior auditor and audit manager at PricewaterhouseCoopers Zhongtian LLP (Shanghai). From January 2010 to November 2013, he successively served as finance manager, senior finance manager and district financial director of Shimao Group Holdings Limited (formerly known as Shimao Property Holdings Limited) (a company listed on the Hong Kong Stock Exchange under the stock code: 813). From November 2013 to June 2019, he successively served as group financial director and group financial deputy manager of Shanghai Yuanxing Huanyu Real Estate Group (上海遠星寰宇房地產集團) (formerly known as Red Star Macalline Real Estate Group (紅星美凱龍房地產集團)) and the chief financial officer of Red Star Aegean Business Group (紅星愛琴海商業集團). From July 2019 to June 2022, he served as the chief financial officer of Shanghai Zhidi Group (上海智狄控股集團).

Mr. Huang is a member of the Chinese Institute of Certified Public Accountants in the PRC. He obtained his bachelor's degree in finance in 2004 from Shanghai Jiao Tong University (上海交通大學) in the PRC and completed the Wharton&E-House (China) Real Estate Executive Program at the Wharton School of University of Pennsylvania in 2018.



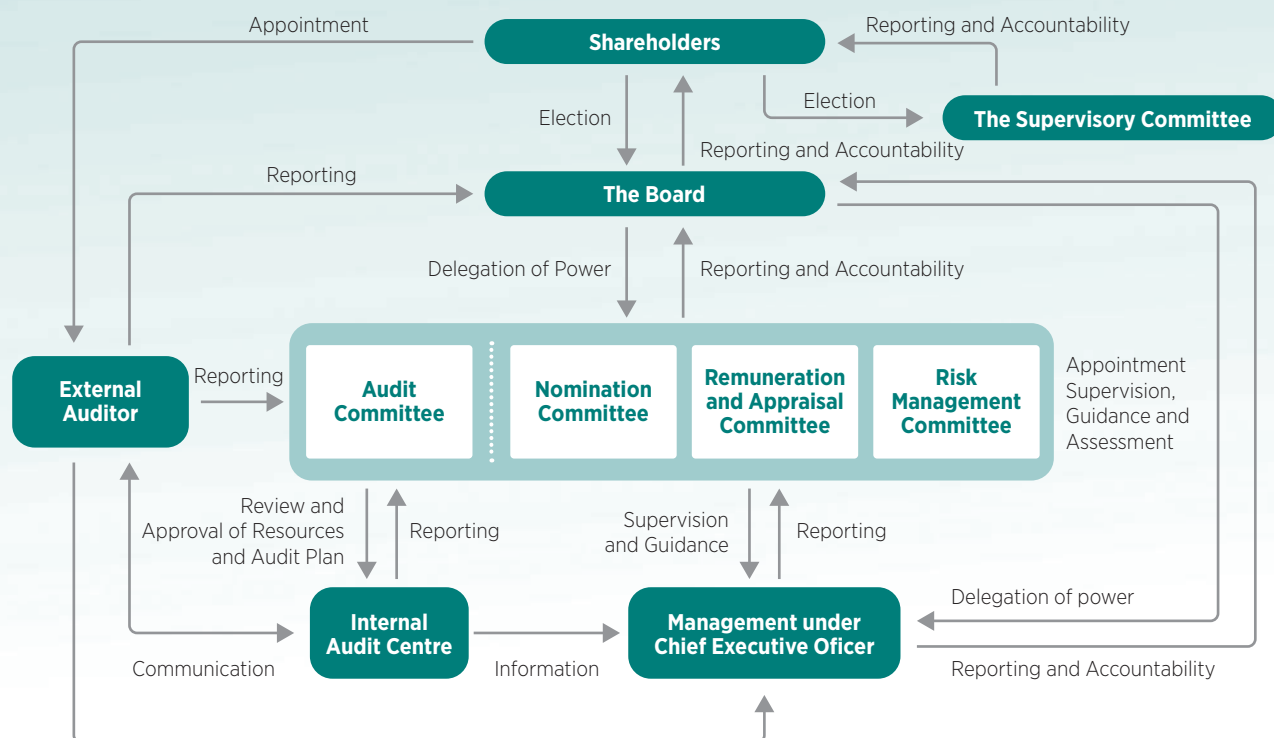
Biographies of Senior Management

Mr. Tan Zhiping (譚志平), aged 53, has been the vice president of the Group and the general manager of the quality management center since November 2024. He has been the assistant president of the Group and the general manager of the quality management center since January 2024. He has been the president of city services company from August 2020 to December 2023, the president of community business company from August 2019 to July 2020, the president of Josun asset management company from January 2019 to July 2019, the general manager of Guangzhou city company and Hainan city company of A-Living Properties from January 2018 to December 2018 respectively, the general manager of city company from April 2016 to December 2017, and the person-in-charge of Zhongshan area of A-Living Properties from April 2014 to March 2016, respectively. Mr. Tan joined Agile Property Services Co., Ltd. in January 2002 and served as project officer, deputy manager and project manager of Yajian Garden.

Mr. Tan graduated from Harbin Finance School in July 1995, majoring in financial management. In February 2012, Mr. Tan completed the executive program of business administration at Tsinghua University Graduate School of Business Administration in Shenzhen. In December 2019, he obtained a Master Degree in Business Administration from the Asia Metropolitan University.

Corporate Governance Report

CORPORATE GOVERNANCE STRUCTURE



The board of directors (the “Board”) of A-Living Smart City Services Co., Ltd. (the “Company”, together with its subsidiaries, the “Group”) believes that good governance is essential for sustainable development and growth of the Company, enhancement of credibility as well as value of shareholders of the Company (the “Shareholders”). As such, the Board has adopted and reviewed corporate governance practices in light of the regulatory requirements and the needs of the Company. The Company is committed to maintaining a high level of corporate governance and adheres to the principles of integrity, transparency, accountability and independence.

The Board plays a major role in the supervision of corporate governance to ensure that the Company maintains a sound governance framework and the long-term sustainable Shareholders’ value.

COMPLIANCE WITH CG CODE

The Company fully complied with the applicable principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 31 December 2025.

THE BOARD AND MANAGEMENT

The Board takes Shareholders' interests as its priority in promoting and maintaining successful development of business so as to achieve consistent long-term financial returns, while taking due account of the interests of those with whom the Group does business and others. The Board is accountable for formulating the business and management directions of the Group and that they are managed in such a way as to achieve the objectives of the Company. The Board's responsibilities are to formulate corporate strategy and long-term business model of the Group and to monitor and control operating and financial performance in pursuit of strategic objectives of the Group.

The Board delegates day-to-day operations of the Group to the management of the Company. The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions.

Board Composition

The Company currently comprises eight Directors, consisting of five executive Directors and three independent non-executive Directors. The details of the Board composition are as follows:

Executive Directors

Mr. Chan Cheuk Hung (*Co-chairman*)

Mr. Wang Haiyang (*Co-chairman*)

Mr. Li Dalong (*President (General Manager) and Chief Executive Officer*)

Mr. Chen Siyang (*Vice President*)

Ms. Zhao Yu (*Vice President*)

Independent Non-executive Directors

Mr. Wang Gonghu

Mr. Weng Guoqiang

Mr. Li Jiahe

The biographical information of the Directors and the relationship amongst them, if any, are set out in the section headed "Biographies of Directors" on pages 33 to 37 of this annual report.

Co-chairman and Chief Executive Officer

The co-chairman of the Board of the Company (the "Co-chairman") provides leadership for the Board and ensures the effectiveness of the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company. The Co-chairman is also responsible for formulating the overall development strategies and policies of the Group and monitoring their implementation. Meanwhile, the chief executive officer of the Company (the "Chief Executive Officer") shall be delegated the authority by the Board to lead the senior management of the Company (the "Senior Management") for the daily operation and business management of the Group in accordance with the objectives, directions, and risk management and internal control policies laid down by the Board.



Corporate Governance Report

The applicable code provision C.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of the co-chairman of the Board have been assumed by Mr. Chan Cheuk Hung and Mr. Wang Haiyang while the president (general manager) and chief executive officer of the Company has been assumed by Mr. Li Dalong.

Independent Non-executive Directors

Independent non-executive Directors play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decisions. They are experienced professionals in areas such as financial accounting and financial management. Their extensive experiences significantly contribute to enhancing the decision-making of the Board and achieving a sustainable and balanced development of the Group. In particular, they bring impartial views and opinions on issues of the Company's strategy, performance and control, and take the lead in solution where potential conflicts of interests arise. The Board believes that its culture of openness and debate facilitates the effective contribution of Directors, non-executive Directors and independent non-executive Directors in particular, to the Board and ensures constructive relationship among executive Directors, non-executive Directors and independent non-executive Directors.

During the year ended 31 December 2025 (the "Year"), the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence as set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

The applicable code provision B.2.2 of the CG Code states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Directors is engaged on a service agreement (for executive Directors and non-executive Directors) or an appointment letter (for independent non-executive Directors) for a term of three years or expiring on 20 July 2026. According to Article 74 of the Company's articles of association (the "Articles of Association"), the term of the third session of the Board will expire on 20 July 2026. The Board has considered and resolved to propose the Directors of the third session of the Board be re-elected as Directors for the fourth session of the Board at the 2025 AGM (except for the proposed employee representative director, which is not subject to election by Shareholders), and to submit to the Shareholders for consideration and approval via ordinary resolutions to be proposed at the 2025 AGM. A circular containing, among other things, the biographical details relating to the proposed re-election of the Directors of the fourth session of the Board of the Company will be despatched to the Shareholders as soon as practicable.

Mr. Wang Haiyang has been appointed as the executive Director with effect from 28 May 2025. He obtained the legal advice referred to as set out in Rule 3.09D of the Listing Rules on 7 May 2025 and confirmed that he understood his obligations as a Director.

Ms. Zhao Yu has been appointed as the executive Director with effect from 8 October 2025. She obtained the legal advice referred to as set out in Rule 3.09D of the Listing Rules on 30 September 2025 and confirmed that she understood her obligations as a Director.

Board and Board Committee Meetings

The Board meets at least four times each year. Directors may participate in meetings either in person or through electronic means of communication. The schedule of regular meetings for the next year will be presented to all Directors in the last Board meeting of the year so that they can have a better arrangement for the meetings. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The company secretary of the Company (the "Company Secretary") assists the Co-chairman in preparing the agenda of regular Board meetings and circulate the draft Board meeting agenda to all Directors for their perusal and comment. Directors are invited to include any matters in the agenda which they think appropriate. The Board meeting agenda will be issued by the Company Secretary after incorporating all the comments of Directors (if any). Relevant meeting materials are provided to the Directors at least three days before the meetings to ensure that they are given sufficient review time and are adequately prepared for the meetings.

Each Director shall have access to the Senior Management and the Company Secretary and they may also seek independent professional advice at the expense of the Company. Any matter involving interest of substantial Shareholder(s) or Director(s) shall be subject to the consideration and approval by the Board at a physical Board meeting. Directors who have interest may attend the meeting, but shall not be counted towards quorum and shall abstain from voting on the relevant matter. All Directors may require the Company Secretary to provide advice and services on relevant aspects, including the follow-up of, or the provision of support to, any matters, ensuring that the Board procedures and all applicable rules and regulations are observed.

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting. After the briefing given to the Directors, the management will answer any enquiry made by the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss.

The minutes of the Board meetings and Board committees meetings are drafted and kept by the Company Secretary. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The Company Secretary will distribute the draft meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after holding of the meetings.

Corporate Governance Report

During the Year, the Board held a total of four meetings. Each Director's attendance record for the Board meetings, Board committee meetings and general meetings is set out as follow:

Board Meetings				
	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Chan Cheuk Hung (<i>Co-chairman</i>)	4	2	2	0
Mr. Wang Haiyang (<i>Co-chairman</i>) (<i>appointed on 28 May 2025</i>)	2	2	0	0
Mr. Huang Fengchao (<i>Co-chairman</i>) (<i>resigned on 28 May 2025</i>)	1	1	0	0
Mr. Li Dalong (<i>President (General Manager) and Chief Executive Officer</i>)	4	4	0	0
Mr. Chen Siyang (<i>Vice President</i>)	4	4	0	0
Ms. Zhao Yu (<i>Vice President</i>) (<i>appointed on 8 October 2025</i>)	1	0	1	0
Ms. Yue Yuan (<i>resigned on 28 May 2025</i>)	2	0	2	0
Mr. Wang Gonghu	4	4	0	0
Mr. Weng Guoqiang	4	4	0	0
Mr. Li Jiahe	4	4	0	0

Audit Committee Meetings				
	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Wang Gonghu (<i>Committee Chairman</i>)	2	2	0	0
Mr. Weng Guoqiang	2	2	0	0
Mr. Li Jiahe	2	2	0	0

Corporate Governance Report

Remuneration and Appraisal Committee Meeting

	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Weng Guoqiang (<i>Committee Chairman</i>)	1	1	0	0
Mr. Wang Haiyang (<i>appointed on 28 May 2025</i>)	0	0	0	0
Mr. Huang Fengchao (<i>resigned on 28 May 2025</i>)	1	1	0	0
Mr. Li Dalong	1	1	0	0
Mr. Wang Gonghu	1	1	0	0
Mr. Li Jiahe	1	1	0	0

Nomination Committee Meeting

	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Wang Haiyang (<i>Committee Chairman</i>) (<i>appointed on 28 May 2025</i>)	0	0	0	0
Mr. Huang Fengchao (<i>Committee Chairman</i>) (<i>resigned on 28 May 2025</i>)	1	1	0	0
Ms. Zhao Yu (<i>appointed on 8 October 2025</i>)	0	0	0	0
Mr. Li Dalong (<i>resigned on 8 October 2025</i>)	1	1	0	0
Mr. Wang Gonghu	1	1	0	0
Mr. Weng Guoqiang	1	1	0	0
Mr. Li Jiahe	1	1	0	0

Risk Management Committee Meetings

	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Wang Haiyang (<i>Committee Chairman</i>) (<i>appointed on 28 May 2025</i>)	1	1	0	0
Mr. Huang Fengchao (<i>Committee Chairman</i>) (<i>resigned on 28 May 2025</i>)	1	1	0	0
Mr. Chan Cheuk Hung	2	0	2	0
Mr. Li Dalong	2	2	0	0
Mr. Wang Gonghu	2	2	0	0
Mr. Li Jiahe	2	2	0	0

Corporate Governance Report

General Meetings

	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Chan Cheuk Hung (<i>Co-chairman</i>)	2	0	2	0
Mr. Wang Haiyang (<i>Co-chairman</i>) (<i>appointed on 28 May 2025</i>)	1	1	0	0
Mr. Huang Fengchao (<i>Co-chairman</i>) (<i>resigned on 28 May 2025</i>)	1	1	0	0
Mr. Li Dalong (<i>President (General Manager) and Chief Executive Officer</i>)	2	2	0	0
Mr. Chen Siyang (<i>Vice President</i>)	2	2	0	0
Ms. Zhao Yu (<i>Vice President</i>) (<i>appointed on 8 October 2025</i>)	0	0	0	0
Ms. Yue Yuan (<i>resigned on 28 May 2025</i>)	1	0	1	0
Mr. Wang Gonghu	2	2	0	0
Mr. Weng Guoqiang	2	1	1	0
Mr. Li Jiahe	2	2	0	0

All the executive Directors, non-executive Directors and independent non-executive Directors have allocated a reasonable amount of time to follow and deal with various affairs of the Company during the Year. In addition to attending the meetings of the Board and its committees, each Director has allocated sufficient time on reviewing materials provided by the Company from time to time. Furthermore, each member of the Audit Committee also spent sufficient time on reviewing internal audit reports provided by the internal audit center. The Co-chairman met once with the independent non-executive Directors without the presence of other Directors.

Training and Support for Directors

The Company has established procedures for training and development of Directors. Newly appointed Directors will be provided with comprehensive, formal and tailored induction and legal advice on the first occasion of his/her appointment and, subsequently, necessary briefing and professional development so as to ensure the Directors have adequate understanding and strengthen their awareness of the business and operation of the Group, their responsibilities and obligations under the statutory and common laws, the Listing Rules, laws and other regulatory requirements and governance policies, enabling the Directors to discharge their duties properly. The Company Secretary maintains proper records of training attended by the Directors.

Corporate Governance Report

During the Year, the summary of training received by the Directors is as follows:

Directors	Training Matters (Notes)
Executive Directors	
Mr. Chan Cheuk Hung (<i>Co-chairman</i>)	A, B
Mr. Wang Haiyang (<i>Co-chairman</i>) (<i>appointed on 28 May 2025</i>)	A, B
Mr. Huang Fengchao (<i>Co-chairman</i>) (<i>resigned on 28 May 2025</i>)	A, B
Mr. Li Dalong (<i>President (General Manager) and Chief Executive Officer</i>)	A, B
Mr. Chen Siyang (<i>Vice President</i>)	A, B
Ms. Zhao Yu (<i>Vice President</i>) (<i>appointed on 8 October 2025</i>)	A, B
Non-executive Director	
Ms. Yue Yuan (<i>resigned on 28 May 2025</i>)	A, B
Independent Non-executive Directors	
Mr. Wang Gonghu	A, B
Mr. Weng Guoqiang	A, B
Mr. Li Jiahe	A, B

Notes: A. corporate governance
B. regulatory requirements

Board Diversity

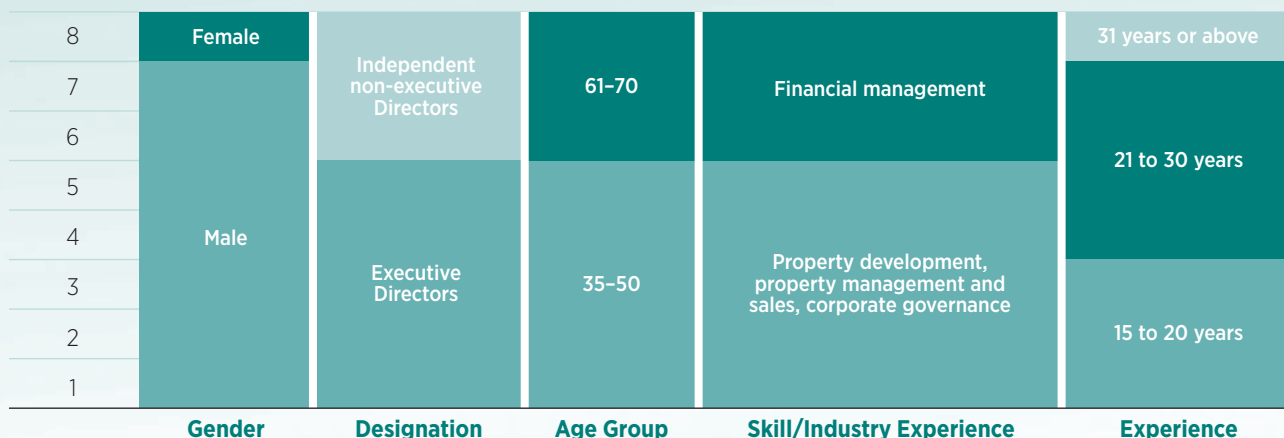
In order to achieve a diversity of perspectives among members of the Board, the Company has formulated a policy to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include but are not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

On 28 May 2025, Ms. Yue Yuan resigned from her position as a non-executive Director. Following the resignation of Ms. Yue, the Company has a single gender board which does not meet the diversity requirement under Rule 13.92 of the Listing Rules. The appointment of Ms. Zhao Yu as an executive Director was approved by the Shareholders at the extraordinary general meeting of the Company on 8 October 2025. Following the appointment of Ms. Zhao, the Board members comprises directors of different genders, thereby meeting the diversity requirement under Rule 13.92 of the Listing Rules.

Corporate Governance Report

An analysis of the current Board composition is set out in the following chart:

Number of Directors



As at the date of this report, the Board comprises eight Directors, one of which is female. The Company targets to avoid a single gender Board and will timely review the gender diversity of the Board in accordance with the business development of the Group. The Board will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

Workforce Diversity Policy

The Group is committed to establishing and maintaining a diverse and inclusive workplace that values, respects and treats every employee fairly, providing equal opportunities for all and creating an open and dynamic working environment where employees can showcase their talents and fully realize their potential. The Group has adopted a workforce diversity policy that sets out its approach to diversity and inclusion, and will strive to maintain a balanced gender diversity in its workforce going forward. With a view to achieving a sustainable and balanced development, the Group sees increasing diversity and inclusion at the Workforce level as an essential element in supporting the attainment of its strategic objectives and its sustainable development and values diversity and inclusion as fundamental drivers of innovation and growth.

The Group is committed to providing equal opportunities in employment-related decisions and strictly adheres to non-discriminatory employment practices and procedures and actively promotes diversity and inclusion measures, celebrating different perspectives and contributions. The Group does not tolerate any form of discrimination, harassment, defamation or victimization in the workplace and/or any work-related situations and will take appropriate action in cases of any such conduct.

The Nomination Committee is responsible for monitoring the implementation of the Workforce Diversity Policy and will report annually to the Board on workforce diversity matters.

On 31 December 2025, the Group had 38,363 female employees, accounting for 46.77% of the total; and 43,667 male employees, accounting for 53.23% of the total. Among the Senior Management, 5 were male and 1 was female. To narrow and eliminate gender pay gaps, the Group provides equal opportunities and treatment for employees of different genders, and promotes a corporate culture of diversity and inclusion.

Board Independence

During the Year, the Board also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following channels, the Nomination Committee considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- (a) Three out of the eight Directors are independent non-executive Directors, which meets the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors and all of them continue to devote adequate time to the Company.
- (b) The Nomination Committee will assess the independence of a candidate who is nominated to be a new independent non-executive Director before appointment. All independent non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.
- (c) Independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.
- (d) All Directors are encouraged to express their views in an open and candid manner during the Board/Board Committee meetings.
- (e) Annual meeting between the Chairman and all independent non-executive Directors without presence of other Directors providing effective platform for the Chairman to listen independent views on various issues concerning the Group.
- (f) A Director (including independent non-executive Director) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.
- (g) No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.

Dividend Policy

On 17 April 2025, the Board approved and adopted a revised dividend policy of the Company, pursuant to which the Company expects to pay a dividend of not less than 25% of core net profit attributable to the shareholders of the Company annually. The payment and amounts of dividends (including an annual dividend and/or a special dividend) subject to the results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends paid by the Company, future prospects and other factor that the Board deems relevant. Any final dividend (including an annual dividend and/or a special dividend) declared during the year will be subject to the approval of the Shareholders.



Corporate Governance Report

Nomination Policy

According to the Nomination Policy of the Company, the Nomination Committee will consider the following major factors when nominating suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as directors at general meetings.

- gender, age, race, language, cultural and educational background, industry experience and professional qualification;
- effect on the Board's composition and diversity;
- commitment of the candidate to devote sufficient time to effectively carrying out his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;
- potential/actual conflicts of interest that may arise if the candidate is selected;
- independence of the candidate; and
- in the case of a proposed re-appointment of an independent non-executive Director, the number of years he/she has already served.

Nomination Procedures

During the Year, after receiving a list of candidates, recommended by members of the Board, for the replacement and appointment of new Directors, the Nomination Committee requested the candidate to provide his biographical information and other information deemed necessary. The Nomination Committee reviewed and took reasonable steps to verify the information obtained from the candidate and seek clarification, where required. The Nomination Committee may, at its discretion, invite any candidate to meet with the Nomination Committee members to assist them in their consideration of the proposed nomination or recommendation. The Nomination Committee then submitted its nomination proposal to the Board for consideration and making recommendation to the Shareholders for approval.

Directors, Supervisors and Senior Management Liability Insurance

The Company has arranged appropriate insurance covering the potential legal actions against its Directors, Supervisors and Senior Management in connection with the discharge of their responsibilities.

BOARD COMMITTEES

The Company has established four Board Committees, namely, the Remuneration and Appraisal Committee, the Nomination Committee, the Audit Committee and the Risk Management Committee. All Board Committees of the Company are established with specific written terms which deal clearly with their authority and duties. The terms of reference of each of the Board Committees are posted on the Company's website (www.agileliving.com.cn) and The Stock Exchange of Hong Kong Limited's (the "Hong Kong Stock Exchange") website (www.hkex.com.hk) and are available to the Shareholders upon request.

The list of the chairman and members of each Board committee is set out under the section headed "Corporate Information" on page 2 of this annual report.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of five members, namely Mr. Wang Haiyang (executive Director), Mr. Li Dalong (executive Director), Mr. Wang Gonghu (independent non-executive Director), Mr. Weng Guoqiang (independent non-executive Director) and Mr. Li Jiahe (independent non-executive Director). Mr. Weng Guoqiang is the chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Remuneration and Appraisal Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy, as well as to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

Remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment. In determining remuneration of Directors and Senior Management, the Board will consider the remuneration level of comparable companies, the time commitment and responsibilities of the Directors and Senior Management and employment conditions elsewhere in the Group, individual performance of respective Directors and the Company's performance. No Director shall be involved in deciding his/her own remuneration.

During the Year, the Remuneration and Appraisal Committee held a meeting, the agenda of which was mainly (i) to confirm the remuneration of executive Directors, non-executive Director and independent non-executive Directors for 2024; (ii) to discuss and determine the recommendation on the remuneration adjustments of executive Directors, non-executive Director and independent non-executive Directors for 2025; and (iii) to discuss and determine the proposal on the remuneration of the Senior Management for 2025.

Details of the 5 individuals with the highest emoluments are set out in note 8(c) to the consolidated financial statements. During the year ended 31 December 2025, none of the directors and chief executive, or any of the non-director and non-chief executive highest paid employees waived or agreed to waive any remuneration.

The remuneration of the members of senior management by band for the Year is set out below:

Emolument bands (in HK\$)	Number of members of senior management
HK\$500,001 — HK\$1,000,000	4
HK\$1,000,001 — HK\$1,500,000	1
HK\$1,500,001 — HK\$2,000,000	1



Corporate Governance Report

Nomination Committee

The Nomination Committee consists of five members, namely Mr. Wang Haiyang (executive Director), Ms. Zhao Yu (executive Director), Mr. Wang Gonghu (independent non-executive Director), Mr. Weng Guoqiang (independent non-executive Director) and Mr. Li Jiahe (independent non-executive Director). Mr. Wang Haiyang is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals suitably qualified to become Board members, to make recommendations to the Board on the appointment, re-appointment and succession planning of Directors, to assess the independence of independent non-executive Directors, evaluate each Director's time commitment and contribution to the Board, to review the Board diversity policy and the nomination policy of the Company and assist the Board in maintaining a Board skills matrix.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience, etc. The Nomination Committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expense of the Company.

During the Year, the Nomination Committee held a meeting, the agenda of which was mainly (i) to assess the independence of the independent non-executive Directors; and (ii) to consider and review the structure, number of members and composition of the Board.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Wang Gonghu, Mr. Weng Guoqiang and Mr. Li Jiahe. Mr. Wang Gonghu is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Audit Committee are to review accounting policy, to monitor the performance of the Company's external auditor and the internal audit center, to review financial information, to oversee the financial reporting system, risk management and internal control systems, to consider and review the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and to report the results to the Board. The Audit Committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

During the Year, the Audit Committee held two meetings, the agenda of which mainly includes the following:

- reviewing annual results of 2024 and annual report of 2024, interim results of 2025 and interim report of 2025;
- reviewing audit and review reports of the auditor, recommendation reports of internal control and management;
- discussing and reviewing internal control management reports, audit monitoring plans and audit timetables of the internal audit center;
- reviewing the continuing connected transactions;
- considering the re-appointment of external auditor of the Company, and discussing the change of external auditor;

Corporate Governance Report

- reviewing the resources of accounting and financial reporting functions of the Group;
- reviewing the effectiveness of the Company's internal audit function; and
- reviewing staff malpractices monitoring reports.

The Audit Committee meets with the external auditor, at least once annually, in the absence of management, to discuss matters relating to its audit fees, any issue arising from the audit and any other matters the auditor may wish to raise. The Audit Committee and the Board have no disagreement in relation to the recommendation of the re-appointment of Grant Thornton Hong Kong Limited as the external auditor.

External Auditor

At the 2024 annual general meeting of the Company, the Shareholders approved the re-appointment of Grant Thornton Hong Kong Limited as the auditor of the Group. For the year ended 31 December 2025, remuneration paid and payable to Grant Thornton Hong Kong Limited in relation to audit and non-audit services is detailed as below:

	2025 RMB	2024 RMB
Fee for audit services	5,393,000	5,550,000
Fee for non-audit services:		
— Other permitted services	—	—
	5,393,000	5,550,000

Risk Management Committee

The Risk Management Committee consists of five members, namely Mr. Chan Cheuk Hung (executive Director), Mr. Wang Haiyang (executive Director), Mr. Li Dalong (executive Director), Mr. Wang Gonghu (independent non-executive Director) and Mr. Li Jiahe (independent non-executive Director). Mr. Wang Haiyang is the chairman of the Risk Management Committee.

The major duties of the Risk Management Committee are to consider and formulate risk management framework, to review and assess the effectiveness of the Group's risk management framework, review changes in the nature and extent of significant risks and promptly assess the Group's ability to manage risks, to monitor the implementation of risk control and ensure it is effectively implemented.

During the Year, the Risk Management Committee held two meetings, the agenda of which is set out below:

- discussing the risk management work plan, including environmental, social, and governance aspects;
- discussing and reviewing internal control management reports, monitoring plans and timetables of the internal audit center; and
- reviewing the changes of nature and extent of major risks and the response measures.



Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Audit Committee is delegated by the Board to perform the functions set out in the code provision A.2.1 of the CG Code contained in Appendix C1 of the Listing Rules. The terms of reference of the Audit Committee include (1) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (2) to review and monitor the training and continuous professional development of directors and senior management of the Company; (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and (5) to review the Company's compliance with the code and disclosure in the Corporate Governance Report of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group considers that effective risk management is of high importance for the Group to achieve sustainable development and long-term business success.

Responsibilities of the Board and the Management

The Board recognises its responsibilities to evaluate and determine the nature and level of risks to be exposed of for achieving the Group's strategic objectives, and to ensure that the Group establishes and maintains applicable and effective risk management and internal control systems, and to oversee the management in design, implementation and monitoring of the risk management and internal control systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for designing, implementing and monitoring the risk management system and the internal control system, and provides the recognition of the effectiveness of risk management and internal control to the Board.

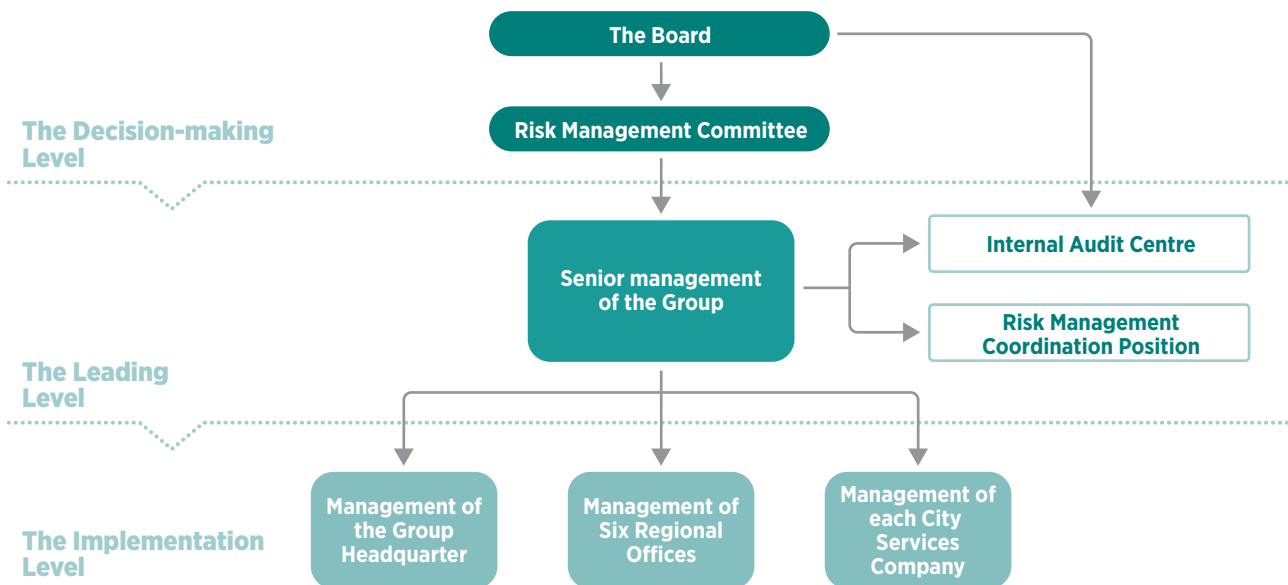
Risk Management

The design, implementation and maintenance of the risk management system

- 1) **Establishing the Risk Management Committee:** The Board has established the Risk Management Committee to oversee the design, implementation and maintenance of the risk management system of the Group and has issued the "Terms of Reference of the Risk Management Committee":
 - Authorizing the Risk Management Committee and define its duties: the Risk Management Committee's duties regarding risk management and its authorisation have been recognised in the "Terms of Reference of the Risk Management Committee";
 - Determining the organisation of the Risk Management Committee: providing the composition and quorum, requirements of the attendance at meetings, frequency of meetings and the manner of meetings; and
 - Determining the procedure of reporting to the Board: stipulating the time of reporting to the Board by the Risk Management Committee, including the minutes mechanism.

2) Establishing the structure of the risk management organisation: It has built up the official risk management organisation structure from the level of the Group to its subsidiaries (see figure 1 below: risk management organisation chart of the Company), and confirmed the direct management obligation of risk management and the risk information reporting procedure and frequency, and clarified the responsibilities of risk management positions, including integrating the requirement of risk management into the functional description of each position. The main features of the risk management organisation structure comprised:

- Clear levels and responsibilities: the levels of risk management organisation included the Risk Management Committee at the decision-making level, with the composition of leading level and implementation level and carrying out the division of the duties of risk management. It has confirmed the direct management obligation and the risk information reporting procedure and frequency;
- The wide span of level: the structure of risk management organisation is from the senior management of the Group to its managements of six regional offices and city services company; and
- Specific communication mechanism: it has confirmed that the management of each level communicate with each other with regard to the responsibilities, reporting procedure and reporting frequency of the risk management.



(Figure 1: risk management organisation chart of the Company)



Corporate Governance Report

The roles and major responsibilities of different levels under the risk management structure are shown below:

The roles in the risk management structure

Major responsibilities

The Board (decision-making level)	— To evaluate and determine the nature and extent of the risks that the Group willing to take in achieving the strategic objectives — To ensure that the effective risk management and internal control systems are established and maintained — To oversee management in the design, implementation and monitoring of the risk management and internal control systems
The Risk Management Committee (decision-making level)	— To review and formulate the framework of risk management — To review and assess the effectiveness of the framework of the risk management of the Group on a regular basis — To coordinate and assist the Group's senior management in promoting risk management works — To oversee each business segment for setting up and implementing risk response programme and measures — To report any material risk management matters and recommend solutions to the Board — To monitor the frequency of major control failures or weak points, resulting in the extent of unforeseen consequences or emergencies which have caused, may have caused or will cause material impact on the financial performance or condition of the Company
The senior management of the Group (leading organisation)	— To carry out risk assessment from the Group's holistic perspective and each business segment, in order to formulate risk management measures — To design, implement and monitor the risk management and internal control systems — To confirm the effectiveness of risk management and internal control systems to the Board
The Group headquarter and the management of its subsidiaries (implementation organisation)	— To formulate and implement the relevant risk response programme of their business segment — To promote and implement specific risk management measures — To monitor and control different risks of their business and adjust risk management measures in time

The roles in the risk management structure

Major responsibilities

The Internal Audit Center	— To coordinate the commencement of risk recognition and assessment — To prepare periodic risk assessment report and propose the summary of the report to the risk management leading team — To organise and coordinate risk management training and guidance — To act as the risk management monitoring organisation and be responsible for overseeing and evaluating risk management works implemented by the Group and its subsidiaries
The risk management coordination position	— The Office of the Secretary of the Board acts as the role of risk management coordination, including organising Risk Management Committee meetings and preparing minutes for record

3) Establishing a systematic risk management system structure, which comprised the following main elements and features:

- Comprehensive framework of risk management: the model of risk management framework has been established as the risk management system foundation (see figure 2 below for details: the model of risk management) including the main elements such as risk management strategies, risk management process and risk management basic structure;
- Clear risk management procedure: the risk management procedure includes recognition, analysis, response, monitor and control, and summarizing and reporting, which form a closed loop to control and manage the risks continuously; and
- Appropriate standard of risk assessment for the Group: according to the industry nature and operation features, strategic objectives of the Group as well as the risk preference of management, set up the applicable dimension and standard of risk assessment to each business segment. By using mutually agreed assessment method and standard, carry out assessment to the risks which are most likely to affect the achievement of corporate objectives in order to obtain the risk assessment result which is actually fitted with corporation.

Corporate Governance Report

Risk Management Strategies:

Building up Senior Management's foundation of risk management, determining the acceptability of the nature and extent of risks and establishing risk management frame

Risk Management Process:

Establishing the steps and instruments and monitoring and reporting procedure of risk management

Foundation of Risk Management:

Organisation, staff and technologies required in order to support, facilitate and promote the commencement of risk management of the Group



(Figure 2: The model of risk management)

Through the above efforts, the Group has clarified direct management obligation of risk management and risk information reporting procedure and frequency, and established an official risk management framework which recognises, analyses, evaluates and determines procedure of corporate risks to integrate with and control risks systematically.

The commencement of risk assessment for the Group in 2025

Based on risk management system of the Group as mentioned above, the Senior Management, with the assistance from external advisory bodies, sustained its intensive risk management works in 2025.

Management has adopted a systematic evaluation to review the changes of nature and extent of major risks, recognised material risks exposed, streamlined the current condition of risk control and the next response measures and key risk management program, and reported to the Risk Management Committee with the assessment result.

The Risk Management Committee, on behalf of the Board, reviews and assesses the changes of nature and extent of major risks. It has finished the review of risk management system. The Risk Management Committee reviewed and reported the results to the Board, and suggested that with the rapid growth of the Group's business scale, the increasingly diversified business development and the continuous changes in the market environment, the Group's risk management system should be considered in a broader and comprehensive perspective, the framework of risk management should be continuously optimized, and all related departments of the Group should be linked up to enhance the workflow of risk management in order to support the development of the innovative business of the Group. Management will report major risks control formally to the Risk Management Committee on a half-yearly basis, strengthen the effectiveness of risk management system and broaden the scope of risk management so as to identify other potential risks situation.

THE INTERNAL CONTROL

The Board is responsible for formulating proper internal control system for the Group to safeguard the assets of the Group and the interests of the Shareholders. The Audit Committee shall conduct regular review on the effectiveness of the internal control system to ensure that the system is adequate.

The internal audit center of the Group is accountable and reports directly to the Audit Committee. It is responsible for constantly monitoring the work flow and risk assessment of each department of the Group, to assist the Board and Senior Management in complying with the regulatory requirements and guidelines, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the internal audit center shall ensure the effective operation of the internal control system.

In order to standardise information management works, the Board has formulated an information management system (the “System”). The System includes procedures and internal controls for the handling and dissemination of inside information. The System provides, including but not limited to, the procedures of the obligation and execution of the management and publication of inside information, confidentiality arrangement, collection and evaluation of information and the manner of publication to ensure timely reporting of inside information to the Board and communication with the Group’s stakeholders.

During the Year, the internal audit functions have been carried out under the leadership of the Board and the Audit Committee. The Audit Committee reviewed the effectiveness of internal control system of the Group in respect of finance, operation, compliance and business matters and reported the results to the Board. Should any material fault or any material weakness in monitoring is found, the internal audit center will report the same to the Audit Committee in timely manner.

The Group shall review the efficiency of the internal control system at least twice every year to ensure the effectiveness and adequacy of the system.

WHISTLEBLOWING POLICY

The Company has established a whistleblowing policy where employees and third parties can report any suspected improper, corrupt, or non-compliant behavior of the Group’s employees, customers, and suppliers to the internal audit center of the Group through email, an anti-corruption hotline, letters, or other means while maintaining confidentiality. The internal audit center regularly reports any findings to the Audit Committee.

ANTI-CORRUPTION POLICY

The Company has established an anti-corruption policy that details the requirements for preventing, controlling, and providing feedback on anti-corruption, anti-bribery, and anti-money laundering activities. The internal audit center of the Group is responsible for supervising the Group’s anti-corruption efforts and conducting anti-corruption training sessions, as well as investigating complaints related to suspected corrupt behavior.



Corporate Governance Report

THE REVIEW AND SUMMARY OF THE EFFECTIVENESS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has continuously overseen the management in the design, implementation and monitoring of the risk management and internal control systems, and conducted a comprehensive review of the risk management and internal control systems of the Company during the Year and continuously oversaw major risks and regularly review the implementation of management and control measures covering the period of 2025. There were no significant uncontrollable risks during the period. The Board considered that the operation of the systems is effective and adequate. Meanwhile, the Board has accepted the reports of the Risk Management Committee and the Audit Committee on the review results of the Group's risk management and internal control system and agreed that such systems should be continuously reviewed and improved in line with the rapid growth of the Group's business scale, the increasingly diversified business development and the continuous changes in the market environment.

THE REVIEW OF ACCOUNTING, FINANCIAL REPORTING AND INTERNAL AUDIT FUNCTIONS

The Audit Committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the section headed "Independent Auditor's Report" on pages 95 to 102 of this annual report.

COMPANY SECRETARY

As disclosed in the Company's announcement dated 21 November 2025, Ms. Fu Mei Yan has been appointed as the Company Secretary with effect from 21 November 2025 following the resignation of the joint company secretaries of the Company, Mr. Huang Jiayi and Mr. Li Kin Wai. Ms. Fu is a Chartered Secretary, a Chartered Governance Professional and a full-time employee of the Company. She is familiar with the day-to-day affairs of the Company and has devoted sufficient time to the affairs of the Company. Ms. Fu is responsible for advising the Board on governance matters, new director's induction and professional development of Directors as well as ensuring good information flow between the Board members and the compliance of the policy and procedure of the Board. She has confirmed that she has received relevant professional trainings of no less than 15 hours to update her skills and knowledge during the year.

All Directors have access to the advice and services of the Company Secretary on corporate governance and board practices and matters.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels and a shareholders' communication policy is in place to ensure that Shareholders' views and concerns are appropriately addressed. During the Year, the Company has reviewed the existing shareholders' communication policy to ensure its continued effectiveness.

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each general meeting.

Convening an extraordinary general meeting

Extraordinary general meetings may be convened by the Board on requisition of Shareholder(s) individually or jointly holding 10% or more of the Company's issued shares carrying voting rights in writing.

Putting forward proposals at general meetings

When a general meeting is convened by the Company, the Board, Supervisory Committee and Shareholders who individually or jointly hold more than 3% or more of the Shares may propose resolutions to the Company.

Shareholders who individually or jointly hold more than 3% of the Shares may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener will issue a supplemental notice of the general meeting within two days upon receipt of the proposals.

Putting forward enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company to the following:

Address: Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Communication with Shareholders and Investor Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.



Corporate Governance Report

Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted a code for securities transactions by Directors of the Company and a code for securities transactions by Supervisors as its own codes of conduct governing Directors' and Supervisors' dealings in the Company's securities (the "Securities Dealing Codes") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors and they have confirmed that they had complied with the Securities Dealing Codes during the year ended 31 December 2025.

The Company has also established written guidelines (the "Employees Written Guidelines") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the year ended 31 December 2025.

CONSTITUTIONAL DOCUMENTS

During the Year, there have been no changes in the Articles of Association. The Articles of Association is available on the Company's website and the Hong Kong Stock Exchange's website.

Certain amendments to the Articles of Association will be proposed for the Shareholders' consideration at the 2025 AGM. Details will be set out in the Company's circular dated 29 April 2026.



Report of the Board of Directors

The board (the “Board”) of directors (the “Directors”) of A-Living Smart City Services Co., Ltd. (the “Company”, together with its subsidiaries, the “Group”) is pleased to present the annual report of the Company together with the audited consolidated financial statements for the year ended 31 December 2025 (the “Year”).

PRINCIPAL PLACE OF BUSINESS

The Company is established and has its registered office in the People’s Republic of China (the “PRC” or “China”). The Company’s principal place of business in Hong Kong is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

PRINCIPAL ACTIVITIES

The Group is principally engaged in property management services, related value-added services, city sanitation and cleaning services.

RESULTS AND OVERALL PERFORMANCE

The Group’s results for the year ended 31 December 2025 are set out on pages 6 to 7 of this annual report.

BUSINESS REVIEW

The business review of the Group during the Year and a discussion of the Group’s future business development and the major risks and uncertainties of the Group are set out in the section headed “Chairman’s Statement” on pages 13 to 17 of this annual report and the section headed “Management Discussion and Analysis” on pages 18 to 27 of this annual report, respectively. An analysis of the Group’s performance during 2025 based on the financial key performance indicators is set out on pages 207 to 208 of this annual report under the section headed “Five-Year Financial Summary”.

The Group believes that sustainable development is crucial to the development of a corporate and actively implements the concept of sustainable development at every level of the operation so as to create a better future for the community and the corporate. The Company will issue separately an Environmental, Social and Governance Report under the Environmental, Social and Governance Reporting Guide as specified in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

ENVIRONMENTAL PROTECTION AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is principally engaged in property management services, related value-added services, city sanitation and cleaning services in China. As a property management service provider in China, the Group is required to comply with various national and local laws and regulations on environmental protection, including laws and regulations of air pollution, sound pollution, waste and sewage. The Group has complied with the laws and regulations which are significant to the operation of the Group. Further, any changes in applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.



Report of the Board of Directors

RELATIONSHIP WITH STAKEHOLDERS

The Group is of the view that its employees, customers and business partners are important to its sustainable development. The Group is committed to maintaining close relationship with its employees, providing high quality services to customers and strengthening the cooperation with its business partners. The Company provides a fair and safe workplace, promotes diversity to the staff, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide the products in a way that satisfy the needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the services so that the Group can respond proactively. The Group has also established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to developing good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business. The Group reinforces business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

FINAL DIVIDEND

The Board proposed the distribution of a final dividend of RMB0.06 per share (before tax) for the year ended 31 December 2025 ("Final Dividend"), which will be subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 28 May 2026 (the "2025 AGM"). The Final Dividend payable to the holders of domestic shares of the Company will be paid in Renminbi, whereas The Final Dividend payable to the holders of H Shares will be declared in Renminbi and paid in Hong Kong dollars (except for the holders of H Shares who became Shareholders through the Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets and the Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets, whose Final Dividend will be paid in Renminbi), the exchange rate of which will be calculated based on the average exchange rate of RMB against Hong Kong dollars published by The People's Bank of China five business days prior to the date of the 2025 AGM. Subject to the approval of the 2025 AGM, the Final Dividend will be paid on or about Friday, 10 July 2026. None of the Shareholders has waived or agreed to waive any dividend.



Report of the Board of Directors



According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on 1 January 2008, and was amended on 24 February 2017 and 29 December 2018, the Provision for Implementation of Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) which took effect on 1 January 2008 and was amended on 23 April 2019, and the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years to H Shareholders which are overseas non-resident enterprises (Please refer to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) for the definition of non-resident enterprises.), it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the Final Dividend as enterprise income tax, distribute the Final Dividend to non-resident enterprise Shareholders whose names appear on the H Shares register of members of the Company, i.e. including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups. After receiving dividends, the non-resident enterprise Shareholders may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties (arrangement). After the tax authorities have verified that there is no error, it shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement).

In accordance with requirement of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) which was promulgated by the Ministry of Finance and the State Administration of Taxation and came into effect on 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises. Therefore, as a foreign-invested enterprise, the Company will not withhold PRC individual income tax on behalf of overseas individual Shareholders whose names appear on the H Shares register of members of the Company when the Company distributes the dividends.

Final Dividend for Investors of Southbound Trading

For investors (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange through Shanghai Stock Exchange and Shenzhen Stock Exchange (collectively the "Southbound Trading"), the Company has entered into the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading with China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited or the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the investors for Southbound Trading, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of Southbound Trading through its depository and clearing system. The cash dividends of the investors of Southbound Trading will be distributed in Renminbi.



Report of the Board of Directors

According to the provisions of the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Interconnected Mechanism for Trading on the Shanghai and Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014] 81號)) and the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016] 127號)), the income tax implications on dividends and bonuses received by Mainland individual investors, Mainland securities investment funds and Mainland enterprise investors are as follows:

- (i) for Mainland individual investors, H share companies shall withhold the individual income tax for these investors at the tax rate of 20% on dividends and bonuses received by them from investing in H Shares listed on the Hong Kong Stock Exchange via Southbound Trading;
- (ii) for dividends and bonuses received by Mainland securities investment funds from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the individual income tax shall be levied in accordance with the above provisions; and
- (iii) for dividends and bonuses received by Mainland enterprise investors from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the income tax on the Mainland enterprises shall not be withheld by the H share companies. The tax payable shall be declared and paid by the enterprises. For dividends and bonuses received by the Mainland resident enterprises after holding the H shares for 12 months continuously, the enterprise income tax will be exempted according to laws.

The record date and the date of distribution of cash dividends and other time arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares.

CLOSURE OF REGISTER OF MEMBERS FOR THE 2025 AGM

The 2025 AGM will be held on Thursday, 28 May 2026 and for the purpose of determining the Shareholders' eligibility to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of the shares of the Company will be registered. In order to qualify for attending and voting at the 2025 AGM, holders of H Shares whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 21 May 2026. The record date for determining the identity of holders of H Shares who are entitled to attend and vote at the 2025 AGM is Thursday, 28 May 2026.



Report of the Board of Directors

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF FINAL DIVIDEND

Subject to obtaining approval of the Shareholders at the forthcoming 2025 AGM, the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company as at the close of business on Thursday, 11 June 2026. For the purpose of determining the entitlement of holders of H Shares to the Final Dividend, the H Share register of members of the Company will be closed from Monday, 8 June 2026 to Thursday, 11 June 2026, both days inclusive, during which period no transfer of H Shares will be registered. The record date for determining the entitlement of holders of H Shares to the Final Dividend is Thursday, 11 June 2026. In order for holders of H Shares to qualify for the proposed Final Dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 5 June 2026.

SHARE CAPITAL

Details of the movements in the share capital of the Company for the year ended 31 December 2025 and as at 31 December 2025 is set out in note 25 to the consolidated financial statements.

RESERVES AND DISTRIBUTION RESERVE

Details of the movements in the reserves of the Company and of the Group for the year ended 31 December 2025 are set out in note 35(a) and note 26 to the consolidated financial statements and pages 107 to 108 of this annual report under the section headed "Consolidated Statement of Changes in Equity".

Details of the reserve available for distribution to equity shareholders of the Company as at 31 December 2025 is set out in note 35 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out in note 15(a) to the consolidated financial statements.

INTANGIBLE ASSETS

Details of the movements in intangible assets of the Group for the year ended 31 December 2025 are set out in note 17 to the consolidated financial statements.

BORROWINGS

As at 31 December 2025, the Group had long-term borrowings of RMB256.3 million, among which RMB196.0 million will be repayable within one year. The Group also had short-term borrowings of RMB96.0 million with a term of less than one year. Details of the borrowings of the Group are set out in note 27 to the consolidated financial statements.

CHARITABLE DONATIONS

The Group did not make any charitable donations for the year ended 31 December 2025.

Report of the Board of Directors

RETIREMENT BENEFIT SCHEME

There are no provisions under the retirement benefit scheme of the Group whereby forfeited contributions may be used to reduce future contributions. Details of retirement benefit scheme of the Group are set out in note 8 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on pages 207 to 208 of this annual report.

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

During the year ended 31 December 2025, according to the buy-back general mandates granted by the Shareholders at the annual general meeting of the Company held on 29 May 2024 and 28 May 2025 respectively, the Company bought back a total of 1,460,250 H Shares on the Hong Kong Stock Exchange for an aggregate consideration of HK\$4,214,002.5, which are held as treasury shares (as defined in the Listing Rules) of the Company. The H Shares bought back were financed by the Company with its existing available cash reserves. Details of the H Shares bought back are as follows:

Date	Number of H Shares repurchased	The highest repurchase price (HK\$/Share)	The lowest repurchase price (HK\$/Share)	Aggregate Consideration Paid (HK\$)
20 June 2025	200,000	2.85	2.84	569,152.5
15 May 2025	200,000	2.92	2.91	582,937.5
14 May 2025	200,000	2.91	2.91	582,000.0
13 May 2025	60,250	2.95	2.95	177,737.5
8 May 2025	200,000	2.91	2.91	582,000.0
7 May 2025	200,000	2.89	2.89	578,000.0
2 May 2025	200,000	2.92	2.90	582,827.5
29 April 2025	200,000	2.80	2.79	559,347.5
Total	1,460,250			4,214,002.5

As at 31 December 2025, 1,460,250 H Shares bought back were not cancelled and were held by the Company as treasury shares. In accordance with the applicable laws and regulations, such treasury shares may either be cancelled later or continue to be held by the Company as treasury shares for the share scheme to be adopted, subject to market conditions at the relevant time and the capital management needs of the Group.

Saved as disclosed above, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group has no other future plans for material investments and capital assets as at 31 December 2025.

PLEDGE OF ASSETS

Details of the pledge of assets of the Group for the year ended 31 December 2025 are set out in notes 15, 16 and 20 to the consolidated financial statements.

Report of the Board of Directors

PRE-EMPTIVE RIGHTS

There is no arrangement of pre-emptive rights in accordance with the laws of the PRC and the requirements of the Articles of Association of the Company.

DIRECTORS AND SUPERVISORS

The Directors and the supervisors of the Company (the “Supervisors”) during 2025 and up to the date of this annual report are:

Directors

Executive Directors

Mr. Chan Cheuk Hung (*Co-chairman*)
Mr. Wang Haiyang (*Co-chairman*) (*appointed on 28 May 2025*)
Mr. Huang Fengchao (*Co-chairman*) (*resigned on 28 May 2025*)
Mr. Li Dalong (*President (General Manager) and Chief Executive Officer*)
Mr. Chen Siyang (*Vice President*)
Ms. Zhao Yu (*Vice President*) (*appointed on 8 October 2025*)

Non-executive Director

Ms. Yue Yuan (*resigned on 28 May 2025*)

Independent non-executive Directors

Mr. Wang Gonghu
Mr. Weng Guoqiang
Mr. Li Jiahe

Supervisors

Mr. Liu Jianrong (*President of the Supervisory Committee, Employee representative Supervisor*)
Ms. Huang Zhixia (*Employee representative Supervisor*)
Mr. Wang Weiqiong (*Shareholder representative Supervisor*)
Mr. Zheng Jiancheng (*External Supervisor*)
Mr. Wang Shao (*External Supervisor*)

INDEPENDENCE CONFIRMATION

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the executive Directors, the non-executive Directors and the Supervisors has entered into a service contract with the Company and each of the independent non-executive Directors has signed an appointment letter with the Company.

The appointment of all the Directors is effective from the respective appointment date until the expiry of the term of the third session of the Board. The appointment of all the Supervisors is effective from the respective appointment date until the expiry of the term of the third session of the Supervisory Committee. As disclosed in the announcement of the Company dated 31 March 2026, upon the amended Articles becoming effective, the Supervisory Committee will be abolished and the existing Supervisors will retire.



Report of the Board of Directors

No Director or Supervisor has a service contract/letter of appointment with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Other than those transactions disclosed in note 36 to the consolidated financial statements, no Director or Supervisor had a material beneficial interest in, either directly or indirectly, any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

DIRECTORS' AND SUPERVISORS' INTEREST IN COMPETING BUSINESS

During the Year, none of the Directors, the Supervisors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

PERMITTED INDEMNITY PROVISION

According to the duty indemnity policy for the Directors, the Supervisors and the Senior Management, each Director, Supervisor and Senior Management is entitled to be indemnified by the Company against all losses or liabilities which he/she may sustain or incur in carrying out his/her functions. The Company has also arranged appropriate insurance in respect of potential legal actions against the Directors, the Supervisors and the Senior Management arising out of corporate activities.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the Directors, the Supervisors and Senior Management are set out in the sections headed "Biographies of Directors", "Biographies of Supervisors" and "Biographies of Senior Management", respectively, of this annual report.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES OF THE COMPANY

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Directors, Supervisors and chief executives of the Company subsequent to the date of the 2025 interim report are as follow:

1. Mr. Chan Cheuk Hung has resigned as a non-executive director of Agile Group Holdings Limited (stock code of Hong Kong Stock Exchange: 3383) with effect from 1 April 2026.
2. The Stock Exchange published a Statement in relation to the public censure made against Starjoy Wellness, and 15 directors of Starjoy Wellness and/or China Aoyuan, including Mr. Wang, a supervisor of the Company. Mr. Wang is an independent non-executive director of Starjoy Wellness. The Listing Committee of the Stock Exchange found that, among others, the Relevant Persons (including Mr. Wang) breached Rule 3.08 of the Listing Rules as they failed to exercise reasonable skill, care and diligence in the discharge of their directors' duties and to procure China Aoyuan and/or Starjoy Wellness to have in place adequate internal controls and procedures at the material time. The internal



Report of the Board of Directors

control deficiencies identified contributed to creating an environment which enabled fund outflows from SW Group to China Aoyuan and its subsidiaries without the knowledge of the other directors of Starjoy Wellness and China Aoyuan, managing conflicts of interest or complying with the Listing Rules requirements applicable to Starjoy Wellness. Among other directions of the Stock Exchange, the Listing Committee of the Stock Exchange has directed Mr. Wang, together with other relevant directors of Starjoy Wellness, to attend 26 hours of training on regulatory and legal topics and Listing Rules compliance, including two hours on Rule 2.13 of the Listing Rules and three hours on each of (a) directors' duties; (b) the Corporate Governance Code; and (c) Chapters 13, 14 and 14A of the Listing Rules (the "Training Requirement").

For the avoidance of doubt, the Statement relates to Starjoy Wellness and the Relevant Persons only and (save for the above regarding Mr. Wang) does not involve any director or senior management of the Company. The Board has carefully assessed the information provided in the Statement. The Board considers that the Incident does not affect Mr. Wang's ability to discharge his duties as a supervisor of the Company and that Mr. Wang has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a supervisor of the Company for the following reasons:

1. No finding and conclusion set out in the Statement stated that Mr. Wang is unsuitable to act as a director or supervisor of listed companies in Hong Kong;
2. The Incident detailed in the Statement does not involve any act of dishonesty, fraudulence or integrity issue on the part of Mr. Wang;
3. Mr. Wang has confirmed to the Company that he will comply with the Training Requirement; and
4. Based on the information available to the Board as at the date of this report, the Incident does not relate to the affairs of the Group and directors, supervisors and senior management of the Company (other than Mr. Wang), nor would it impact on the business operations of the Group.

For further details, please refer to the announcement of the Company dated 16 January 2026.

EQUITY LINKED AGREEMENT

No equity linked agreements were entered into by the Company during 2025.

Report of the Board of Directors

DIRECTORS', SUPERVISORS' AND THE CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of 31 December 2025, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes as defined in the Corporate Governance Report in this annual report (the "Securities Dealing Codes"), were as follows:

(i) Interest in Shares of the Company

Name of Director/ Supervisor	Nature of Interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate Percentage of the Company's Issued Share Capital
Mr. Chan Cheuk Hung ⁽²⁾	Beneficiary of a trust	H Shares	643,485,064 (L) 97,726,350 (S)	45.32% 6.88%
Mr. Wang Haiyang	Beneficial owner	H Shares	566,000 (L)	0.04%
Mr. Li Dalong ⁽³⁾	Interest of a controlled corporation	H Shares	12,288,972 (L)	0.87%
	Spouse	H Shares	200,000 (L)	0.01%
Mr. Chen Siyang	Beneficial owner	H Shares	1,622,453 (L)	0.11%
Mr. Liu Jianrong	Beneficial owner	H Shares	166 (L)	0.01%

Notes:

- (1) The letter "L" denotes the person's long position in the shares, while the letter "S" denotes the person's short position in the shares.
- (2) Mr. Chan Cheuk Hung is the beneficiary of a family trust ("Chen's Family Trust", which is deemed to be interested in 643,485,064 long position and 97,726,350 short position in H shares of the Company). Therefore, Mr. Chan Cheuk Hung is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

Report of the Board of Directors

- (3) Mr. Li Dalong is a limited partner of and owns 99.9% interest in Tianjin Chaotai Commercial Center (Limited Partnership)* 天津朝泰商業中心(有限合夥) (“Tianjin Chaotai”). Tianjin Chaotai is a limited partner of and owns 47.5% interest in Shanghai Yanya Business Consultancy Limited Partnership* 上海焰雅商務諮詢合夥企業(有限合夥) (“Shanghai Yanya”) and Shanghai Chengya Business Consultancy Limited Partnership* 上海澄雅商務諮詢合夥企業(有限合夥) (“Shanghai Chengya”) respectively. Mr. Li is also a general partner of and owns 2.5% interest in Shanghai Yanya and Shanghai Chengya respectively, and has full control over Shanghai Yanya and Shanghai Chengya. Shanghai Yanya is a limited partner of and owns 50% interest in Shanghai Yeya Business Consultancy Limited Partnership* 上海燁雅商務諮詢合夥企業(有限合夥) (“Shanghai Yeya”). Shanghai Chengya is a general partner of Shanghai Yeya and has full control over Shanghai Yeya. Shanghai Yeya is a limited partner of and owns 45% interest in Tianjin A-Living. Mr. Li is a general partner of Tianjin Fengxin and has full control over Tianjin Fengxin. Tianjin Fengxin is a limited partner of and owns 94.96% interest in Shanghai Baoya. Tianjin Fengxin is a limited partner of and owns 95% interest in Shanghai Bingya. Shanghai Baoya is a general partner of Shanghai Yongya and has full control over Shanghai Yongya. Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Tianjin A-Living which owns 12,288,972 H shares of the Company. Mr. Li is a limited partner of and owns 2.5% interest in Tianjin A-Living. Hence, Mr. Li Dalong is deemed under the SFO to be interested in the shares of the Company held by Tianjin A-Living. By virtue of the SFO, Mr. Li Dalong is deemed to be interested in the shares of the Company held by his spouse, Ms. Fei Fan.

(ii) Interest in Shares of Associated Corporation of the Company

Name of Director	Name of Associated Corporation	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding Interest
Mr. Chan Cheuk Hung	Agile Group Holdings Limited	Beneficiary of a trust	2,453,096,250 (L)	48.61%

Note: The letter “L” denotes the person’s long position in the shares.

* for identification purposes only

Report of the Board of Directors

Save as disclosed above, as of 31 December 2025, neither any of the Directors, the Supervisors nor the chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES OF THE COMPANY

So far as known to any Director or chief executives of the Company, as of 31 December 2025, the persons (other than Directors, Supervisors or chief executives of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Long Positions in Shares or Underlying Shares of the Company

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate Percentage of the Company's Issued Share Capital
Zhongshan A-Living Enterprises Management Services Co., Ltd.* (中山雅生活企業管理服務有限公司)	Beneficial owner	H shares	608,911,750 (L) 43,710,392 (S)	42.88% 3.08%
Deluxe Star International Limited ⁽²⁾	Interest of a controlled corporation	H shares	608,911,750 (L) 43,710,392 (S)	42.88% 3.08%
Makel International (BVI) Limited ⁽³⁾	Interest of a controlled corporation	H shares	608,911,750 (L) 43,710,392 (S)	42.88% 3.08%
Genesis Global Development (BVI) Limited ⁽⁴⁾	Interest of a controlled corporation	H shares	608,911,750 (L) 43,710,392 (S)	42.88% 3.08%
Eastern Supreme Group Holdings Limited ⁽⁵⁾	Interest of a controlled corporation	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Agile Group Holdings Limited ⁽⁶⁾	Interest of a controlled corporation	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Full Choice Investments Limited ⁽⁷⁾	Interest of a controlled corporation	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%

Report of the Board of Directors

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate Percentage of the Company's Issued Share Capital
Mr. Deakin Gary Colin ⁽⁷⁾	Trustee of a trust	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Mr. Richardson Clive Stuart ⁽⁷⁾	Trustee of a trust	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Mr. Todd Richard Frazer ⁽⁷⁾	Trustee of a trust	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Top Coast Investment Limited ⁽⁸⁾	Interest of a controlled corporation	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Mr. Chen Zhuo Lin ⁽⁹⁾	Beneficiary of a trust	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Mr. Chan Cheuk Yin ⁽⁹⁾	Beneficiary of a trust	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Mr. Chan Cheuk Hei ⁽⁹⁾	Beneficiary of a trust	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Mr. Chan Cheuk Nam ⁽⁹⁾	Beneficiary of a trust	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Ms. Luk Sin Fong, Fion ⁽¹⁰⁾	Spouse	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Ms. Zheng Huiqiong ⁽¹¹⁾	Spouse	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Ms. Lu Liqing ⁽¹²⁾	Spouse	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Ms. Lu Yanping ⁽¹³⁾	Spouse	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
Ms. Chan Siu Na ⁽¹⁴⁾	Spouse	H shares	643,485,064 (L) 95,629,718 (S)	45.32% 6.73%
DCL Echelon Partner L.P.	Interest of a controlled corporation	H shares	334,700,000 (L)	23.59%
DCL Special Situation Investment, Ltd.	Interest of a controlled corporation	H shares	334,700,000 (L)	23.59%
DCL Sumyth Partner L.P.	Beneficial owner	H shares	334,700,000 (L)	23.59%
Song Lingling	Interest of a controlled corporation	H shares	334,700,000 (L)	23.59%

Report of the Board of Directors

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate Percentage of the Company's Issued Share Capital
Xiamen Dingyi Chunxin Equity Investment Partnership Enterprise (Limited Partnership)* (廈門鼎一淳鑫股權投資合夥企業(有限合夥))	Interest of a controlled corporation	H shares	122,830,000 (L)	8.65%
Xiamen Dingyi Shenghe Investment Co., Ltd* (廈門鼎一盛合投資有限公司)	Interest of a controlled corporation	H shares	122,830,000 (L)	8.65%
Ningbo Xinhe Dingyi Investment Co., Ltd* (寧波信合鼎一投資有限公司)	Interest of a controlled corporation	H shares	122,830,000 (L)	8.65%
Ningbo Ruiqian Investment Partnership Enterprise (Limited Partnership)* (寧波瑞潛投資合夥企業(有限合夥))	Beneficial owner	H shares	122,830,000 (L)	8.65%
Ningbo Ruiyi Investment Partnership Enterprise (Limited Partnership)* (寧波瑞翊投資合夥企業(有限合夥))	Interest of a controlled corporation	H shares	122,830,000 (L)	8.65%
Ningbo Dingyi Fenghu Holdings Group Co., Ltd* (寧波鼎一峰湖控股集團有限公司)	Interest of a controlled corporation	H shares	122,830,000 (L)	8.65%
Ningbo Dingyi Asset Management Co., Ltd* (寧波鼎一資產管理有限公司)	Interest of a controlled corporation	H shares	122,830,000 (L)	8.65%
Xizang Mingzhao Enterprise Management Co., Ltd* (西藏明照企業管理有限公司)	Interest of a controlled corporation	H shares	122,830,000 (L)	8.65%
Zheng Hualing	Interest of a controlled corporation	H shares	122,830,000 (L) 112,466,443 (L)	8.65% 7.92%
BNP PARIBAS SA	Interest of a controlled corporation	H shares	583,500 (S)	0.04%
Standard Chartered PLC	Interest of a controlled corporation	H shares	105,667,250 (L)	7.44%
HSBC Holdings plc	Custodian		112,291,206 (L)	7.90%

Report of the Board of Directors

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate Percentage of the Company's Issued Share Capital
The Bank of East Asia, Limited	Person having a security interest in shares	H shares	100,513,000 (L) 513,000 (S)	7.08% 0.04%
United Overseas Bank Limited	Interest of a controlled corporation	H shares	100,100,000 (L)	7.05%
Central Huijin Investment Ltd.	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
China CITIC Bank Corporation Limited	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
China CITIC Bank International Limited	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
China Construction Bank Corporation	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
China Minsheng Banking Corp., Ltd.	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
CITIC Group Corporation	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
CITIC Limited	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
Dah Sing Bank, Limited	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%

* for identification purpose only

Report of the Board of Directors

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate Percentage of the Company's Issued Share Capital
LEI IOC HENG	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
LIU CHAK WAN	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
Luso International Banking Limited	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
Macao Development Bank Limited	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
UOB-Kay Hian Holdings Limited	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited)	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%

* for identification purpose only

Notes:

- (1) The letters "L" denotes the person's/corporation's long position in the shares, while the letter "S" denotes the person's/corporation's short position in the shares.
- (2) Zhongshan A-Living Enterprises Management Services Co., Ltd.* is wholly-owned by Deluxe Star International Limited and Deluxe Star International Limited is deemed under the SFO to be interested in the shares of the Company held by Zhongshan A-Living Enterprises Management Services Co., Ltd.*.
- (3) Deluxe Star International Limited is wholly-owned by Makel International (BVI) Limited and Makel International (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Deluxe Star International Limited.
- (4) Makel International (BVI) Limited is wholly-owned by Genesis Global Development (BVI) Limited and Genesis Global Development (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Makel International (BVI) Limited.
- (5) Genesis Global Development (BVI) Limited is wholly-owned by Eastern Supreme Group Holdings Limited and Eastern Supreme Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Genesis Global Development (BVI) Limited.
- (6) Eastern Supreme Group Holdings Limited is wholly-owned by Agile Group Holdings Limited and Agile Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Eastern Supreme Group Holdings Limited.
- (7) Full Choice Investments Limited, Mr. Todd Richard Frazer, Mr. Richardson Clive Stuart and Mr. Deakin Gary Colin are the joint trustees of Chen's Family Trust, therefore, Full Choice Investments Limited, Mr. Todd Richard Frazer, Mr. Richardson Clive Stuart and Mr. Deakin Gary Colin are deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.



Report of the Board of Directors



- (8) Top Coast Investment Limited is the settlor of Chen's Family Trust, therefore, Top Coast Investment Limited is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.
- (9) Each of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam is the beneficiary of Chen's Family Trust, therefore, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.
- (10) By virtue of the SFO, Ms. Luk Sin Fong, Fion is deemed to be interested in the shares of the Company held by her spouse, Mr. Chen Zhuo Lin.
- (11) By virtue of the SFO, Ms. Zheng Huiqiong is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Yin.
- (12) By virtue of the SFO, Ms. Lu Liqing is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hung.
- (13) By virtue of the SFO, Ms. Lu Yanping is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hei.
- (14) By virtue of the SFO, Ms. Chan Siu Na is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Nam.
- (15) Pursuant to Section 336 of the SFO, the Shareholders are required to file disclosure of interests forms when certain criteria are fulfilled. Therefore, substantial shareholders' latest shareholding in the Company may be different to the shareholding filed with the Company and the Hong Kong Stock Exchange.

Save as disclosed above, as of 31 December 2025, the Directors, the Supervisors and the chief executives of the Company are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate sales and purchases attributable to the Group's five largest customers and suppliers were approximately 3.17% of the Group's total revenue and approximately 7.27% of the Group's total purchase during the Year respectively.

As at 31 December 2025, Agile Holdings, holding approximately 45.32% of the issued share capital of the Company, is one of the Group's five largest customers.

Save as disclosed above, none of the Directors, Supervisors and their respective close associates nor any Shareholders (who are interested in more than 5% of the issued shares of the Company according to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Connected Transactions and Continuing Connected Transactions" below, there was no contract of significance (whether for the provision of services to the Company or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and a controlling Shareholder or any of its subsidiaries is the other party during the Year or subsisted as at 31 December 2025.



Report of the Board of Directors

RELATED PARTY TRANSACTIONS

A summary of all related party transactions, in accordance with the Hong Kong Financial Reporting standards, entered into by the Group during the year ended 31 December 2025 is contained in note 34 to the consolidated financial statements. Save for those disclosed in the section headed “Continuing Connected Transactions” below, certain transactions reported under “Rental expenses” of note 34 also fell under the definition of “continuing connected transactions” under Chapter 14A of the Listing Rules but are fully exempt from the reporting, annual review, announcement and the independent shareholders’ approval requirements. The transactions reported under “Provision of services” of note 34, except for the transactions entered into between the Group and Kaifeng Guokong Songdu Property Co. Ltd.* (開封國控宋都置業有限公司) fell under the definition of “continuing connected transactions” as disclosed in the section headed “Continuing Connected Transactions” below. Other related party transactions did not constitute “connected transactions” or “continuing connected transactions” under Chapter 14A of the Listing Rules.

Save for the connected transactions and continuing connected transactions disclosed below, during the Year, there were no other transactions which, in the opinion of the Directors, constituted connected transactions or continuing connected transactions that were subject to the reporting requirements under the Listing Rules.

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions or continuing connected transactions entered into by the Group during the year ended 31 December 2025.

CONNECTED TRANSACTIONS

(1) Agreements dated 29 September 2025 and 6 November 2025

Reference is made to the announcements of the Company dated 29 September 2025 and 6 November 2025.

On 29 September 2025, (i) Agile Holdings and the Company entered into a framework agreement; and (ii) pursuant to the framework agreement, (1) 北海樂啓投資有限公司 (Beihai Leqi Investment Company Limited*), a wholly-owned subsidiary of the Company, as the purchaser; (2) Blue Heaven Group Limited, a wholly-owned subsidiary of Agile Holdings, as the vendor; and (3) 騰沖雅居樂酒店有限公司 (Tengchong Agile Hotel Company Limited*), being the target company and wholly-owned by the Agile Holdings at the time of entering into the agreement, entered into an agreement.

Under the framework agreement and the agreement (as amended by the supplemental framework agreement and the supplemental agreement dated 6 November 2025), the purchaser agreed to acquire, and the vendor agreed to sell 100% equity interest in the target at a consideration of RMB53,068,105.85. The target is a company established in the PRC with limited liability and is principally engaged in hotel development and management. Upon completion of the acquisition, the target will become a subsidiary of the Company and its financial information will be consolidated into the financial statements of the Group. The net consideration shall be applied towards settling amounts due to the Group from the Agile Group.

Agile Holdings is the controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules. The transactions contemplated under each of the framework agreement and the agreement constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the transactions contemplated under the framework agreement and the agreement, in aggregate, exceeded 0.1% but all of which are less than 5%, the transactions contemplated under the framework agreement and the agreement were subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders’ approval requirements.

(2) Agreements dated 17 April 2025

Reference is made to the announcements of the Company dated 17 April 2025 and 10 June 2025.

On 17 April 2025, (i) Agile Holdings and the Company entered into a framework agreement; (ii) pursuant to the framework agreement, 北海樂啓投資有限公司 (Beihai Leqi Investment Company Limited*) (“Beihai Leqi”), a wholly-owned subsidiary of the Company, as purchaser, and 深圳雅居樂環保科技有限公司 (Shenzhen Agile Environmental Technology Company Limited*) (“Agile Environmental”), as vendor, entered into an agreement (the “Target A Agreement”); and (iii) pursuant to the framework agreement, Beihai Leqi, as purchaser, and 雅居樂生態環保科技有限公司 (Agile Ecological and Environmental Technology Company Limited*) (“Agile Eco”), as vendor, entered into an agreement (the “Target B Agreement”).

Under the Target A Agreement, the purchaser agreed to acquire 70% equity interest in 安徽安普環保科技有限公司 (An’hui Anpu Environmental Technology Company Limited*) (“Target A”) at a consideration of RMB17.89 million.

Under the Target B Agreement, the purchaser agreed to acquire 100% equity interest in 聊城雅居樂環保科技有限公司 (Liaocheng Agile Environmental Technology Company Limited*) (“Target B”) at a consideration of RMB42.71 million.

Target A and Target B are principally engaged in environmental protection related business and are expected to form synergy with the Company’s city services business segment in certain regions and customer relations. Pursuant to the framework agreement, the consideration received by the vendors shall be applied to repay the Group’s receivables due from Agile Holdings and its subsidiaries.

Agile Holdings is the controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules. As at the date of the agreements, Agile Environmental was indirectly non-wholly owned by Agile Holdings. Agile Eco was indirectly wholly-owned by Agile Holdings. Target A was owned as to 70% by Agile Environmental and 30% by 來安縣首一商貿有限公司 (Lai’An County Shouyi Trading Company Limited*). Target B was wholly-owned by Agile Eco. As such, each of them is a connected person of the Company under the Listing Rules. The transactions contemplated under each of the framework agreement and the agreements constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the transactions contemplated under the framework agreement and the agreements, in aggregate, exceeded 0.1% but all of which are less than 5%, the transactions contemplated under the framework agreement and the agreements were subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders’ approval requirements.

Report of the Board of Directors

(3) Agreement dated 28 March 2025

Reference is made to the announcements of the Company dated 28 March 2025 and 23 July 2024.

On 22 July 2024, (i) the Company as lender; (2) 鄭州雅宏房地產開發有限公司 (Zhengzhou Yahong Real Estate Development Company Limited*) (“Zhengzhou Yahong”) as borrower; and (3) Tengchong Agile Travel Real Estate Limited Company (騰冲雅居樂旅游置業有限公司) (“Tengchong Agile”) as pledgor entered in a loan agreement in the principal amount of RMB51,749,359.53. The loan is secured by 97 houses of a property project located in Yuanxiang District, Yunnan, the PRC held by Tengchong Agile (the “Original Pledged Assets”).

However, Zhengzhou Yahong was unable to repay the loan and interests accrued, and the registration of the Original Pledged Assets could not be proceeded due to regulatory constraints.

Under such circumstances, on 28 March 2025, the Company, Zhengzhou Yahong and Tengchong Agile entered into a further agreement (i) allowing the Company to change the Original Pledged Assets to another 38 houses of the same property project located in Yuanxiang District, Yunnan, the PRC held by Tengchong Agile (the “New Pledged Assets”); and (ii) for the Company (or its nominees) to acquire the New Pledged Assets in consideration for the offset the outstanding amount of the loan and interests accrued.

Agile Holdings is the controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules. As at the date of the agreement, Zhengzhou Yahong was indirectly wholly-owned by Agile Holdings. Tengchong Agile was indirectly wholly-owned by Agile Holdings. As such, each of them is a connected person of the Company under the Listing Rules. The transactions contemplated under the agreement constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the transactions contemplated under the agreement, in aggregate, exceeded 0.1% but all of which are less than 5%, the transactions contemplated under the agreement were subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders’ approval requirements.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2025, the Group entered into the following continuing connected transactions, as defined in the Listing Rules, with connected persons of the Company.

(1) Continuing connected transactions subject to the reporting, annual review, announcement, circular and independent shareholders’ approval requirement

(i) Property Management Services Framework Agreement

On 20 October 2023, the Company entered into a property management services framework agreement (the “2024 Property Management Services Framework Agreement”) with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group property management services, including but not limited to (i) onsite security, cleaning, greening and gardening, repair and maintenance services as well as customer services to the property sales centres of Agile Group at the pre-delivery stage; (ii) operations and management services for the unsold property units; (iii) disinfection and hygiene services; (iv) property management services for the diversified businesses of Agile Holdings, including but not limited to environmental protection, urban renewal and real estate construction; and (v) properties owned by Agile Group requiring the above services.



Report of the Board of Directors



Pursuant to the 2024 Property Management Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Property Management Services Framework Agreement for the three years ended 31 December 2026 are expected not to exceed RMB420,000,000, RMB570,000,000 and RMB700,000,000, respectively. For the year ended 31 December 2025, the annual fee payable by Agile Holdings to the Group under the 2024 Property Management Services Framework Agreement was approximately RMB84,080,000, which is within the annual cap of RMB570,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Property Management Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(ii) Property Agency Services Framework Agreement

On 20 October 2023, the Company entered into a property agency services framework agreement (the "2024 Property Agency Services Framework Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group property agency services, including but not limited to, providing marketing and sales services for properties developed by Agile Group.

Pursuant to the 2024 Property Agency Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Property Agency Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB600,000,000, RMB700,000,000 and RMB900,000,000, respectively. For the year ended 31 December 2025, the annual fee payable by Agile Holdings to the Group under the 2024 Property Agency Services Framework Agreement was approximately RMB22,000, which is within the annual cap of RMB700,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Property Agency Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.



Report of the Board of Directors

(iii) Framework Referral Agreement

On 20 October 2023, the Company entered into a framework referral agreement (the “2024 Framework Referral Agreement”) with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide marketing referral services in respect of the sales of residential properties and car parking spaces by Agile Group in their development projects to be provided by the Group to Agile Group including but not limited to (i) marketing activities through the utilisation of the community resources and other sales channel of the Group; (ii) customers’ information collection; and (iii) customers’ referrals.

Pursuant to the 2024 Framework Referral Agreement, the annual caps for the transactions contemplated under the 2024 Framework Referral Agreement for the three years ending 31 December 2026 are expected not to exceed RMB300,000,000, RMB400,000,000 and RMB500,000,000, respectively. For the year ended 31 December 2025, the annual fee payable by Agile Holdings to the Group under the 2024 Framework Referral Agreement was RMB0, which is within the annual cap of RMB400,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Framework Referral Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

(2) Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirement

(i) Technology Services Framework Agreement

On 20 October 2023, the Company entered into a technology services framework agreement (the “2024 Technology Services Framework Agreement”) with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide technology products and relevant services to Agile Holdings and/or its subsidiaries, including but not limited to (i) intelligent products; (ii) software products; (iii) intelligent home and sale of residential accessory products; (iv) software development; (v) information system integration services; (vi) intelligent design; (vii) intelligent engineering services; (viii) software platform technology services; and (ix) relevant consultancy services.

Pursuant to the 2024 Technology Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Technology Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB100,000,000, RMB150,000,000 and RMB200,000,000, respectively. For the year ended 31 December 2025, the annual fee payable by Agile Holdings to the Group under the 2024 Technology Services Framework Agreement was approximately RMB62,000, which is within the annual cap of RMB150,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Technology Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

(ii) Turnkey Furnishing Services Framework Agreement

On 20 October 2023, the Company entered into a turnkey furnishing services framework agreement (the “2024 Turnkey Furnishing Services Framework Agreement”) with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group turnkey furnishing consultancy services and relevant design, supervision, acceptance and ancillary consultancy services for properties developed by Agile Group.

Pursuant to the 2024 Turnkey Furnishing Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Turnkey Furnishing Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB20,000,000, RMB21,500,000 and RMB30,000,000, respectively. For the year ended 31 December 2025, the annual fee payable by Agile Holdings to the Group under the 2024 Turnkey Furnishing Services Framework Agreement was approximately RMB27,000, which is within the annual cap of RMB21,500,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Turnkey Furnishing Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from circular and the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

(iii) Advertising and Public Relations Services Framework Agreement

On 20 October 2023, the Company entered into an advertising and public relations services framework agreement (the “2024 Advertising and Public Relations Services Framework Agreement”) with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group services such as advertisement design, media agent and public relations.

Pursuant to the 2024 Advertising and Public Relations Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Advertising and Public Relations Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB37,000,000, RMB40,000,000 and RMB45,000,000, respectively. For the year ended 31 December 2025, the annual fee payable by Agile Holdings to the Group under the 2024 Advertising and Public Relations Services Framework Agreement was RMB0, which is within the annual cap of RMB40,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Advertising and Public Relations Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.



Report of the Board of Directors

(iv) Pre-delivery Inspection Services Framework Agreement

On 20 October 2023, the Company entered into a pre-delivery inspection services framework agreement (the “2024 Pre-delivery Inspection Services Framework Agreement”) with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group pre-delivery inspection services, including but not limited to conducting house inspection on properties developed by Agile Group upon completion of construction and before delivery of the same to homeowners.

Pursuant to the 2024 Pre-delivery Inspection Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Pre-delivery Inspection Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB37,500,000, RMB45,000,000 and RMB60,000,000, respectively. For the year ended 31 December 2025, the annual fee payable by Agile Holdings to the Group under the 2024 Pre-delivery Inspection Services Framework Agreement was RMB0, which is within the annual cap of RMB45,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Pre-delivery Inspection Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

(v) Consultation Services Framework Agreement

On 20 October 2023, the Company entered into a consultation services framework agreement (the “2024 Consultation Services Framework Agreement”) with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide consultation services in relation to property management to the property projects of Agile Group at their preparation stage, design stage, assessment of construction design stage, construction stage and delivery stage, including but not limited to (i) formulation of property management services plan in accordance with the construction of the project and the target customers; (ii) provision of consultation on the master plan of the project and relevant design in relation to accessory facilities; (iii) inspection of construction progress and quality; (iv) related preparations for preliminary project planning, sourcing of materials and project execution in the property development projects of the Agile Group; and (v) monitoring of repair and rectification service.

Pursuant to the 2024 Consultation Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Consultation Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB45,000,000, RMB47,000,000 and RMB50,000,000, respectively. For the year ended 31 December 2025, the annual fee payable by Agile Holdings to the Group under the 2024 Consultation Services Framework Agreement was approximately RMB3,608,000, which is within the annual cap of RMB47,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Consultation Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.



Report of the Board of Directors

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant framework agreements on terms that are fair and reasonable and in the interests of Shareholders as a whole.

CONFIRMATION OF THE AUDITOR

The Company's auditor was engaged to report on the Group's continuing connected transactions for the year ended 31 December 2025 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

As of the date of this annual report, the Group did not have any significant event subsequent to 31 December 2025.

LITIGATION

During the year ended 31 December 2025, the Company was not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, for the year ended 31 December 2025 and as of the date of this annual report, the Company had maintained sufficient public float as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company had adopted the principles and code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules and complied with the applicable code provisions throughout the Year.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by Grant Thornton Hong Kong Limited, Certified Public Accountants, who shall retire at the 2025 AGM. A resolution will be proposed at the 2025 AGM to re-appoint Grant Thornton Hong Kong Limited, Certified Public Accountants, as auditor of the Company.



Report of the Board of Directors

AUDIT COMMITTEE

The audit committee of the Company had discussed with the management, and reviewed, the audited consolidated financial statements of the Group for the year ended 31 December 2025 as set out in this annual report.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

SUSTAINABLE DEVELOPMENT

The Group believes that promoting sustainability is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainability in its operations. Moreover, it values opportunities to learn more about the needs and expectations of the communities in which it operates, as well as those of other stakeholders. The Group is committed to strengthening its management efforts to promote sustainability through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate its commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix C2 to the Listing Rules. The report will present the Company's commitment to sustainable development during the Year under review, and it will cover the significant economic, environmental and social achievements and impacts arising from the activities of the Group and its joint ventures.

On behalf of the Board

A-Living Smart City Services Co., Ltd.

Chan Cheuk Hung/Wang Haiyang

Co-chairman of the Board

Hong Kong, 31 March 2026

Report of the Supervisory Committee

I. COMPOSITION OF THE SUPERVISORY COMMITTEE

As of 31 December 2025, the supervisory committee of the Company (the “Supervisory Committee”) consisted of five members, of which there were two employee representative Supervisors, one shareholder representative Supervisor and two external Supervisors (collectively, the “Supervisors”). The terms of office of Supervisors shall be three years, and is renewable upon re-election after the expiry of his/her term in accordance with the requirements of the articles of association of the Company (the “Articles of Association”).

The composition of the Supervisory Committee is as follows:

Name	Position	Date of Appointment	Responsibilities
Mr. Liu Jianrong	President of the Supervisory Committee, employee representative Supervisor	21 July 2020	Presiding the work of the Supervisory Committee, responsible for supervising the board of directors (the “Board”) and the senior management of the Company
Ms. Huang Zhixia	Employee representative Supervisor	21 July 2017	Responsible for supervising the Board and the senior management of the Company
Mr. Wang Weiqiong	Shareholder representative Supervisor	29 May 2024	Responsible for supervising the Board and the senior management of the Company
Mr. Zheng Jiancheng	External Supervisor	21 July 2023	Responsible for supervising the Board and the senior management of the Company
Mr. Wang Shao	External Supervisor	21 August 2017	Responsible for supervising the Board and the senior management of the Company

II. MAJOR WORKS OF THE SUPERVISORY COMMITTEE IN 2025

In 2025, with a sense of accountable to all shareholders of the Company (the “Shareholders”), the members of the Supervisory Committee of the Company strengthened the coordination and cooperation between the Board and the senior management and seriously performed the duties of supervision, for purposes of better playing a supervisory role of the Supervisory Committee, promoting the standardized operation and healthy development of the Company, and safeguarded the rights and interests of the Company and the Shareholders.

Report of the Supervisory Committee

(i) Convening meetings of the Supervisory Committee according to law, and earnestly performing supervisory duties

In 2025, the Supervisory Committee held a total of 4 meetings of the Supervisory Committee.

The Supervisors carefully reviewed the meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee. The Supervisors attended meetings of the Supervisory Committee and earnestly performed supervisory duties. The details of Supervisors attendance at the meetings of the Supervisory Committee held are as follows:

Name	Number of supervisory meetings eligible to attend	Number of meetings attended in person	Number of meetings attended by proxy	Number of meetings absent
Mr. Liu Jianrong	4	4	0	0
Ms. Huang Zhixia	4	4	0	0
Mr. Wang Weiqiong	4	0	4	0
Mr. Zheng Jiancheng	4	3	1	0
Mr. Wang Shao	4	4	0	0

(ii) Supervising the Directors and Senior Management of the Company in their performance of duties

In 2025, the members of the Supervisory Committee reviewed the resolutions of the Board by attending Board meetings, examined the daily operation and management of the Company and supervised the directors and senior management of the Company in their performance of duties.

(iii) Supervising the Continuing Connected Transactions of the Company with connected persons

In 2025, the members of the Supervisory Committee reviewed the continuing connected transactions of the Company by attending Supervisory Committee meetings. The members of the Supervisory Committee also attended the 2024 annual general meeting held on 28 May 2025.



Report of the Supervisory Committee

(iv) Monitoring Company's Operation

In 2025, members of the Supervisory Committee participated in discussions of major operating decisions, reviewed proposals submitted to the Board for consideration and examined and monitored the operation of the Company through attending Board meetings and general meetings of the Shareholders held by the Company. The Supervisory Committee is of the opinion that the business activities of the Company complied with relevant laws and regulations and the Articles of Association. Meanwhile, the Directors and senior management of the Company have diligently performed their duties and earnestly implemented the resolutions of the general meetings of the Shareholders to safeguard the interests of the Shareholders and the benefit of the Company. In the course of examining the operation of the Company and supervising the performance of duties of the Directors and senior management, the Supervisory Committee has not found any of their behaviors that contravened any applicable laws and regulations or the Articles of Association or any issues that has caused damage to the interests of the Shareholders and the Company.

(v) Focusing on strategy fulfillment and implementation of effective supervision

The Supervisory Committee actively supported the Company's major work and paid close attention to the Company's major events and performed well in supervision and promotion duties.

III. INDEPENDENT OPINIONS OF SUPERVISORY COMMITTEE

(i) Lawful Operation

In 2025, the Company's operations were in compliance with laws and regulations, and its decision-making procedures conformed to relevant laws, regulations and the Articles of Association. Directors and senior management of the Company duly performed their duties. The Supervisors Committee is not aware of any breach of laws, regulations and the Articles of Association or any actions which might be detrimental to the interests of the Company when Directors and senior management were performing their duties.

(ii) Annual Report

The preparation and review procedures of this annual report complies with laws and regulations and regulatory provisions. The contents of this annual report reflected the Company's actual situation truly, accurately and completely.

(iii) Performance Appraisal Results of Directors and Senior Management

In the view of the Supervisory Committee, Directors and senior management of the Company were in compliance with laws and carried out their duties responsibly and they performed their work in a practicable, diligent and due manner. The decision-making procedures were lawful.

(iv) Continuing Connected Transactions

In 2025, the continuing connected transactions of the Company were conducted based on business principles. There were no activities which impaired the interests of the Company in continuing connected transactions. The approval, voting, disclosure and implementation of continuing connected transactions complied with applicable laws and regulations and the Articles of Association.



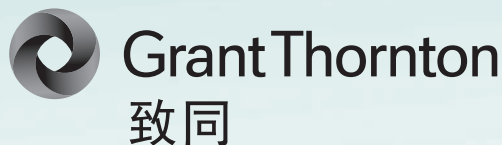
Report of the Supervisory Committee

IV. MAJOR INITIATIVES FOR 2026

The Supervisory Committee will be strictly in accordance with the laws and regulations, Articles of Association and the Terms of Reference of the Supervisory Committee of the Company and other requirements of the relevant provisions to conduct discussion of daily business of the Supervisory Committee and diligently and responsibly perform their duties, including (1) to convene meetings of the Supervisory Committee according to the actual situation of the Company and review and consider various resolutions; (2) to review the Company's financial position by regularly understanding and reviewing financial reports, and monitor the financial operation of the Company in order to prevent against operational risks; and (3) diligently, responsibly and actively to participate in the Board meetings, general meetings and other important meetings as well as the decision-making process in relation to material matters to better safeguard the interests of the Company and the Shareholders.

According to the revised Company Law of the People's Republic of China and in light of the actual circumstances of the Company, the Company proposes to make certain amendments to its Articles of Association to further improve its corporate governance structure. The proposed amendments include abolishing the Supervisory Committee and deleting the relevant provisions regarding the Supervisory Committee and Supervisors. Upon the amended Articles of Association becoming effective, the Supervisory Committee will be abolished and the existing Supervisors will retire. The functions and powers of the Supervisory Committee stipulated in the Company Law will be delegated to and exercised by the audit committee under the Board. The proposed amendments relating to the abolition of the Supervisory Committee and the Articles of Association are subject to approval by the Shareholders by way of a special resolution at the forthcoming 2025 AGM. For further details, please refer to the Company's announcement dated 31 March 2026.

Independent Auditor's Report



To the members of A-Living Smart City Services Co., Ltd.

(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of A-Living Smart City Services Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages 103 to 206, which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of goodwill impairment Refer to notes 2.10, 2.11, 4(a) and 17 to the consolidated financial statements. As at 31 December 2025, the Group had goodwill of RMB2,543,438,000 primarily in relation to the Group's acquisition of other property management services groups (the "Acquirees"). Management has assessed the goodwill impairment and no impairment losses of goodwill was recognised in the current year. Goodwill is tested for impairment annually, or when there are events or changes in circumstances indicate that it might be impaired. For the purpose of impairment assessment, goodwill was allocated to each group of cash-generated units of the Acquirees. Management assessed impairment of goodwill with the assistance of an independent external valuer (the "External Valuer") and determined the recoverable amounts based on a value-in-use ("VIU") calculation using cash flow projections based on financial budgets approved by management. The key assumptions considered primarily include (i) compound annual growth rate of revenue, (ii) earnings before interest, tax, depreciation and amortisation ("EBITDA") margin, (iii) average trade receivables turnover days, (iv) long-term growth rate, and (v) pre-tax discount rate.	We have performed the following procedures in respect of the assessment of goodwill impairment: • Understood, evaluated and tested the internal control over the impairment assessment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud; • Evaluated the competency, capabilities and objectivity of the External Valuer; • Evaluated the appropriateness of the methodology and the reasonableness of key assumptions adopted with the involvement of our internal valuation experts; • Challenged and assessed the reasonableness of the key assumptions adopted by management as below: (i) evaluated the historical estimation accuracy of the cash flow forecast by, for example, comparing the forecast used in the prior year to the actual performance of the business in the current year; (ii) evaluated the reasonableness of the key assumptions used in the cash flow forecast, including compound annual growth rate of revenue, EBITDA margin and average trade receivables turnover days during the forecast period, we compared them with historical financial data and approved budgets; (iii) for the long-term growth rate, we assessed it with reference to the long-term expected inflation rate based on our independent research; (iv) assessed the pre-tax discount rate with reference to comparable listed companies based on our industry knowledge and independent research done by us;



Independent Auditor's Report

Key Audit Matter

We identified this area as a key audit matter because of the significance of the goodwill balance and the significant judgements and estimates made by the management in the goodwill impairment assessment. The inherent risk in relation to the impairment assessment of goodwill is considered significant due to the complexity of the impairment models and subjectivity of significant assumptions used.

How our audit addressed the Key Audit Matter

- Tested source data to supporting evidence on a sample basis, such as approved budgets and available market data and considered the reasonableness of these budgets;
- Evaluated the reasonableness of the sensitivity analysis performed by management on the key assumptions to understand the impact of the reasonable changes in assumptions on the recoverable amount;
- Assessed the adequacy of the disclosures related to impairment assessment of goodwill; and
- Considered whether the judgements made in selecting the methodology and the key assumptions would give rise to indicators of possible management bias.

Based on the above, we found that the significant judgements and estimates involved in the goodwill impairment assessment were supported by available evidence.



Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of expected credit losses of trade receivables	We have performed the following procedures in respect of the assessment of ECL of trade receivables:
Refer to notes 2.15, 3.1.2, 4(c) and 20 to the consolidated financial statements. As at 31 December 2025, the gross balance of trade receivables amounted to RMB8,517,433,000, which represented approximately 42.1% of the total assets of the Group. Management has assessed the expected credit losses ("ECL") of trade receivables with a loss allowance of RMB4,137,612,000 made against trade receivables as at 31 December 2025. Management applied the simplified approach under HKFRS 9 to measure the lifetime ECL of trade receivables. To measure the ECL, trade receivables were grouped based on shared credit risk characteristics. Management assessed the ECL based on estimation about risk of default and expected loss rates, and judgment was used in making these assumptions and selecting the inputs to the impairment calculation, including the historical settlement records, credit ratings, financial positions of the customers and other factors that impacted their ability of repayment. Management also took into account of the current market conditions and forward-looking factors.	• Obtained an understanding of the Group's internal control and assessment process of ECL of trade receivables, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk of factors, such as complexity and subjectivity; • Evaluated and validated, on a sample basis, the key controls over management's assessment of the ECL of trade receivables including the review of ageing analysis; • Assessed the appropriateness of the credit loss provisioning methodology adopted by management including the appropriateness of customer grouping based on our understanding on the Group's business process;

Independent Auditor's Report

Key Audit Matter

We identified this area as a key audit matter due to the significance of the trade receivables balance. In addition, the judgements and estimations in relation to assessment of ECL are subject to high degree of estimation uncertainty. The inherent risk in relation to the assessment of ECL is considered relatively higher due to the complexity of impairment models and subjectivity of significant assumptions and data used.

How our audit addressed the Key Audit Matter

- Evaluated the appropriateness of the methodology and the reasonableness of key assumptions adopted: (i) assessed the appropriateness of customer grouping based on our understanding on the Group's business process, the credit control process and the credit risk characteristics of trade receivables; (ii) assessed the reasonableness of significant assumptions used in estimating the loss rate referencing to customers' credit information, the historical settlement performance, and collaborated management's explanations with publicly available information and supporting evidence; (iii) challenged and evaluated management's assessment on the financial positions of the customers, existing markets conditions and forward-looking factors with reference to our understanding of Group's business, industry and external macroeconomic data;
- Tested, on a sample basis, the accuracy of the ageing analysis of trade receivables prepared by management to supporting documents;
- Checked the mathematical accuracy of the calculation of the provision for loss allowance; and
- Assessed the adequacy of the disclosures related to assessment of ECL of trade receivables.

Based on the above, we found that the key judgements and estimates made by management in relation to the assessment of ECL of trade receivables were supported by available evidences.



Independent Auditor's Report

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2025 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent Auditor's Report



As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent Auditor's Report

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Hong Kong Limited

Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

31 March 2026

Ng Ka Kong

Practising Certificate No.: P06919

Consolidated Income Statement

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000 (Restated — note 2)
Revenue	6	12,892,450	13,942,421
Cost of sales	7	(11,215,249)	(11,857,855)
Gross profit		1,677,201	2,084,566
Selling and marketing expenses	7	(38,781)	(43,265)
Administrative expenses	7	(647,557)	(803,826)
Net impairment losses on financial assets	3.1.2	(537,774)	(4,329,333)
Impairment loss on goodwill		-	(246,206)
Impairment loss on prepayment		(23,225)	(37,113)
Other income	9	109,468	106,539
Other losses — net	10	(280,485)	(238,200)
Operating profit/(loss)		258,847	(3,506,838)
Finance costs	11	(32,206)	(46,873)
Share of post-tax profits of joint ventures and associates	12(b)	45,938	17,682
Profit/(Loss) before income tax		272,579	(3,536,029)
Income tax (expenses)/credit	13	(55,990)	377,700
Profit/(Loss) for the year		216,589	(3,158,329)
Profit/(Loss) attributable to:			
— Shareholders of the Company		104,974	(3,297,828)
— Non-controlling interests ("NCI")		111,615	139,499
		216,589	(3,158,329)
Earnings/(Loss) per share (expressed in RMB per share)			
— Basic and diluted earnings/(loss) per share	14	0.07	(2.32)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated — note 2)
Profit/(Loss) for the year	216,589	(3,158,329)
Other comprehensive income		
Item that will not be reclassified to profit or loss		
— changes in fair value of financial assets at fair value through other comprehensive income, net of tax	(3,325)	-
Total comprehensive income/(expense) for the year	213,264	(3,158,329)
Attributable to:		
— Shareholders of the Company	102,979	(3,297,828)
— Non-controlling interests	110,285	139,499
	213,264	(3,158,329)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

	Notes	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated — note 2)	As at 1 January 2024 RMB'000 (Restated — note 2)
ASSETS				
Non-current assets				
Property, plant and equipment ("PPE")	15(a)	903,991	1,025,214	1,070,499
Right-of-use assets	15(b)	96,960	90,361	119,551
Investment properties	16	235,203	195,832	262,995
Other intangible assets	17	736,355	914,221	1,170,773
Goodwill	17	2,543,438	2,551,858	2,887,011
Deferred income tax assets	29	1,122,304	977,068	385,182
Investment accounted for using the equity method	12(b)	1,070,659	1,105,188	1,202,285
Prepayments	20	989,897	965,940	923,797
Financial assets at fair value through other comprehensive income ("FVOCI")	19	—	12,418	12,593
Financial assets at fair value through profit or loss ("FVPL")	23	—	—	3,238
		7,698,807	7,838,100	8,037,924
Current assets				
Trade and other receivables and prepayments	20	8,512,717	7,422,933	10,248,683
Contract assets	21	3,009	8,408	5,210
Inventories	22	34,889	34,536	40,767
Financial assets at fair value through profit or loss	23	720,300	1,993,658	2,000,112
Restricted cash		218,994	137,912	167,912
Cash and cash equivalents	24	3,044,670	3,318,719	4,080,017
		12,534,579	12,916,166	16,542,701
Total assets		20,233,386	20,754,266	24,580,625
EQUITY				
Equity attributable to shareholders of the Company				
Share capital	25	1,420,001	1,420,001	1,420,001
Other reserves	26	5,757,237	5,823,116	5,829,994
Retained earnings		2,231,139	2,258,710	5,684,338
		9,408,377	9,501,827	12,934,333
Non-controlling interests		1,759,649	1,730,368	1,628,048
Total equity		11,168,026	11,232,195	14,562,381

Consolidated Balance Sheet (Continued)

	Notes	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated — note 2)	As at 1 January 2024 RMB'000 (Restated — note 2)
LIABILITIES				
Non-current liabilities				
Other payables	28	4,353	6,989	2,891
Contract liabilities	6(a)	137,075	91,719	83,631
Borrowings	27	60,330	300,689	182,690
Lease liabilities	15(b)	22,139	17,714	42,069
Deferred income tax liabilities	29	198,183	246,808	313,152
		422,080	663,919	624,433
Current liabilities				
Trade and other payables	28	6,551,479	6,694,111	6,996,294
Contract liabilities	6(a)	1,366,681	1,426,258	1,574,206
Current income tax liabilities		405,957	462,053	573,621
Borrowings	27	292,011	248,395	213,975
Lease liabilities	15(b)	27,152	27,335	35,715
		8,643,280	8,858,152	9,393,811
Total liabilities		9,065,360	9,522,071	10,018,244
Total equity and liabilities		20,233,386	20,754,266	24,580,625

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 103 to 206 were approved by the Board of Directors on 31 March 2026 and were signed on its behalf.

Chan Cheuk Hung
Director

Wang Haiyang
Director

Consolidated Statement of Changes in Equity

	Note	Attributable to the shareholders of Company				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000 (Note 25)	Other reserves RMB'000 (Note 26)	Retained earnings RMB'000	Subtotal RMB'000		
Balance at 1 January 2025, as previously reported		1,420,001	5,618,153	2,369,610	9,407,764	1,742,622	11,150,386
Effect of business combinations under common control (note 2)		-	204,963	(110,900)	94,063	(12,254)	81,809
Balance at 1 January 2025 (Restated)		1,420,001	5,823,116	2,258,710	9,501,827	1,730,368	11,232,195
Comprehensive income							
Profit for the year		-	-	104,974	104,974	111,615	216,589
Other comprehensive expense		-	(1,995)	-	(1,995)	(1,330)	(3,325)
Total comprehensive (expense)/income		-	(1,995)	104,974	102,979	110,285	213,264
Transactions with shareholders of the Company							
Dividends to the shareholders of the Company	30	-	-	(130,550)	(130,550)	-	(130,550)
Dividends to the NCI		-	-	-	-	(70,007)	(70,007)
Disposal of subsidiaries	33	-	-	-	-	(9,040)	(9,040)
Transfer of loss on disposal of financial assets at FVOCI to retained earnings		-	1,995	(1,995)	-	-	-
Capital injection from the NCI		-	-	-	-	(3,334)	(3,334)
Other transaction with NCI		-	(1,377)	-	(1,377)	1,377	-
Shares repurchase		-	(3,904)	-	(3,904)	-	(3,904)
Business combination under common control		-	(60,598)	-	(60,598)	-	(60,598)
		-	(63,884)	(132,545)	(196,429)	(81,004)	(277,433)
Balance at 31 December 2025		1,420,001	5,757,237	2,231,139	9,408,377	1,759,649	11,168,026

Consolidated Statement of Changes in Equity (Continued)

	Note	Attributable to the shareholders of Company				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000 (Note 25)	Other reserves RMB'000 (Note 26)	Retained earnings RMB'000	Subtotal RMB'000		
Balance at 1 January 2024		1,420,001	5,625,031	5,768,108	12,813,140	1,635,991	14,449,131
Effect of business combinations under common control (note 2)		-	204,963	(83,770)	121,193	(7,943)	113,250
Balance at 1 January 2024 (Restated)		1,420,001	5,829,994	5,684,338	12,934,333	1,628,048	14,562,381
Comprehensive income (Restated)							
(Loss)/profit for the year		-	-	(3,297,828)	(3,297,828)	139,499	(3,158,329)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive (expense)/income (Restated)		-	-	(3,297,828)	(3,297,828)	139,499	(3,158,329)
Transactions with shareholders of the Company							
Dividends to the shareholders of the Company	30	-	-	(127,800)	(127,800)	-	(127,800)
Dividends to the NCI		-	-	-	-	(117,212)	(117,212)
Acquisition of subsidiaries		-	-	-	-	1,215	1,215
Disposal of subsidiaries		-	-	-	-	84,784	84,784
Capital injection from the NCI		-	-	-	-	(4,585)	(4,585)
Other transaction with NCI		-	(6,878)	-	(6,878)	(1,381)	(8,259)
		-	(6,878)	(127,800)	(134,678)	(37,179)	(171,857)
Balance at 31 December 2024		1,420,001	5,823,116	2,258,710	9,501,827	1,730,368	11,232,195

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000 (Restated)
Cash flows from operating activities			
Cash generated from operations	31(a)	1,067,651	903,343
Income tax paid		(302,027)	(443,632)
Net cash generated from operating activities		765,624	459,711
Cash flows from investing activities			
Purchases of PPE		(60,238)	(110,471)
Purchase of investment properties		(5,873)	(659)
Proceeds from disposal of PPE and investment properties		17,268	61,815
Purchase of other intangible assets		(811)	(1,627)
Investments in joint ventures and associates		(182)	(274,722)
Disposal of associates		27,005	19,184
Loans to related parties		-	(51,500)
Loans repayments received from related parties		-	25,240
Loans to third parties		(3,096,170)	(4,677,910)
Loans repayments from third parties		2,082,780	4,378,668
Interest received		28,612	11,566
Acquisition of financial assets at FVPL	3.3(b)	(785,500)	(788,750)
Proceeds from disposal of financial assets at FVPL and FVOCI		2,056,675	812,588
Dividend received		17,420	25,880
Cash inflow from acquisition of subsidiaries		-	8,216
Cash inflow/(outflow) from disposal of subsidiaries	33	7,663	(11,997)
Consideration for business combination under common control		(60,598)	-
Net cash generated from/(used in) investing activities		228,051	(574,479)

Consolidated Statement of Cash Flows (Continued)

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000 (Restated)
Cash flows from financing activities			
Capital reduction from NCI		(3,334)	(4,585)
Cash advances from third parties		-	905
Repayment to third parties		(782,353)	(340,414)
Proceeds from borrowings		154,638	492,091
Repayments of borrowings		(351,381)	(319,972)
Principal elements and interest of lease payments		(35,740)	(39,497)
Interest paid		(29,056)	(43,896)
Dividends paid to shareholders		(85,200)	(120,700)
Dividends paid to the NCI		(75,643)	(162,814)
Payment for written put option liabilities		(17,295)	(32,941)
Other transactions with the NCI		(38,456)	(73,353)
Payment for repurchase of shares		(3,904)	-
Net cash used in financing activities		(1,267,724)	(645,176)
Net decrease in cash and cash equivalents		(274,049)	(759,944)
Cash and cash equivalents at beginning of year		3,318,719	4,080,017
Effect of exchange rate changes on cash and cash equivalents		-	(1,354)
Cash and cash equivalents at end of year	24	3,044,670	3,318,719

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

A-Living Smart City Services Co., Ltd. (previously named as “A-Living Services Co., Ltd”, the “Company”) was established in the People’s Republic of China (the “PRC”) on 26 June 1997. On 21 July 2017, the Company was converted from a limited liability company into a joint stock company with limited liability. The address of the Company’s registered office is Management Building, Xingye Road, Agile Garden, Sanxiang Town, Zhongshan, Guangdong Province, PRC.

The Company was listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 9 February 2018.

The Company’s parent company is Zhongshan A-Living Enterprise Management Services Co., Ltd. (“Zhongshan A-Living”), an investment holding company established in the PRC, and its ultimate holding company is Agile Group Holdings Limited (“Agile Holdings”), a company incorporated in the Cayman Islands and its shares are listed on the Hong Kong Stock Exchange.

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

These consolidated financial statements are presented in Renminbi, unless otherwise stated.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

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

These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”). The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRS Accounting Standards and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 2.1(i).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) and investment properties measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(i) New and amended standards adopted by the Group

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

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

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

The amendments do not have a material impact on the financial statements of the Group.

Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosure and related amendments	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

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

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(i) New and amended standards adopted by the Group (Continued)

Issued but not yet effective HKFRS Accounting Standards (Continued)

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

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

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

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

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

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

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

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs.

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(i) New and amended standards adopted by the Group (Continued)

Issued but not yet effective HKFRS Accounting Standards (Continued)

Amendments to HKFRS 7 and HKFRS 9 “Contracts Referencing Nature-dependent Electricity”

The amendments to HKFRS 9 and HKFRS 7 apply only to contracts that reference nature-dependent electricity (i.e. contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as solar and wind).

The amendments:

- a) clarify the application of the “own-use exception” requirements;
- b) permit the hedge accounting if contracts referencing nature-dependent electricity are used as hedging instruments; and
- c) introduce additional disclosure requirements to help users understand the effect of these contracts on an entity’s financial performance and cash flows.

The amendments are effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments concerning the own-use exception are to be applied retrospectively, while the amendments related to hedge accounting requirements should be applied prospectively to new hedging relationships designated from the initial application date.

The directors of the Group expect that the amendments have no material impact on the consolidated financial statements.

(ii) Business combinations under common control

On 17 April 2025, Agile Ecological and Environmental Technology Company Limited* (雅居樂生態環保科技有限公司) (“Agile Eco”) and Shenzhen Agile Environmental Technology Company Limited* (深圳雅居樂環保科技有限公司) (“Agile Environmental”), an indirectly wholly-owned subsidiary and an indirectly non-wholly owned subsidiary of Agile Holdings, and Beihai Leqi Investment Company Limited* (北海樂啟投資有限公司) (“Beihai Leqi”), a wholly-owned subsidiary of the Company have entered into the agreement, pursuant to which Agile Eco and Agile Environmental agreed to sell and Beihai Leqi agreed to purchase 100% equity interests in Liaocheng Agile Environmental Technology Company Limited* (聊城雅居樂環保科技有限公司), a wholly-owned subsidiary of Agile Eco and 70% equity interests in An’hui Anpu Environmental Technology Company Limited* (安徽安普環保科技有限公司) (together, the “Target Companies”), a non-wholly owned subsidiary of Agile Environmental, at a total cash consideration of RMB42,708,000 and RMB17,890,000 respectively. The acquisitions were completed on 16 May 2025 and 1 December 2025 respectively.

* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) Business combinations under common control (Continued)

The acquisitions were considered as a business combination under common control as the Company and its subsidiaries, Agile Eco and Agile Environmental are both ultimately controlled by Agile Holdings. The acquisition was accounted for using merger accounting in accordance with Hong Kong Accounting guideline 5 “Merger Accounting for Common Control Combinations” (“AG 5”) issued by the HKICPA. The Group and the Target Companies are regarded as continuing entities.

Under merger accounting, based on the guideline set out in AG5, the financial information incorporates the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or business first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using their existing book values from the controlling parties’ perspective. No amount is recognised in respect of goodwill or excess of the acquirers’ interest in the net fair value of acquirees’ identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control combination. The adjustments to eliminate share capital of the combining entities against the related investment costs have been made to other reserve in the consolidated statement of changes in equity.

The consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the prior periods have been restated to include the results of the Target Companies as if the acquisition had been completed since the date the respective business first came under the common control of the Company. The consolidated statement of financial position as at 31 December 2024 and 1 January 2024 have been restated to adjust the carrying amounts of the assets and liabilities of the Target Companies which had been in existence as at 31 December 2024 and 1 January 2024 as if the Target Companies was combined from the date when they first came under the common control of the Company.

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) Business combinations under common control (Continued)

The effects of the common control combinations on the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2024 are as follows:

	The Group before common control combinations RMB'000	Subsidiaries acquired RMB'000	Adjustments RMB'000	The Group after common control combinations RMB'000 (As restated)
Revenue	13,867,234	75,187	-	13,942,421
Cost of sales	(11,783,056)	(74,799)	-	(11,857,855)
Gross profit	2,084,178	388	-	2,084,566
Selling and marketing expenses	(41,622)	(1,643)	-	(43,265)
Administrative expenses	(792,550)	(11,276)	-	(803,826)
Net impairment losses on financial assets	(4,329,333)	-	-	(4,329,333)
Impairment loss on goodwill	(246,206)	-	-	(246,206)
Impairment loss on prepayment	(37,113)	-	-	(37,113)
Other income	105,897	642	-	106,539
Other losses — net	(236,689)	(1,511)	-	(238,200)
Operating loss	(3,493,438)	(13,400)	-	(3,506,838)
Finance costs	(28,832)	(18,041)	-	(46,873)
Share of post-tax profits of joint ventures and associates	17,682	-	-	17,682
Loss before income tax	(3,504,588)	(31,441)	-	(3,536,029)
Income tax credit	377,700	-	-	377,700
Loss for the year	(3,126,888)	(31,441)	-	(3,158,329)
Loss attributable to:				
— Shareholders of the Company	(3,270,698)	(27,130)	-	(3,297,828)
— Non-controlling interests ("NCI")	143,810	(4,311)	-	139,499
	(3,126,888)	(31,441)	-	(3,158,329)
Loss per share (expressed in RMB per share)				
— Basic and diluted loss per share	(2.30)			(2.32)
Loss for the year	(3,126,888)	(31,441)	-	(3,158,329)
Other comprehensive income				
Item that will not be reclassified to profit or loss				
— changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-
Total comprehensive expense for the year	(3,126,888)	(31,441)	-	(3,158,329)
Attributable to:				
— Shareholders of the Company	(3,270,698)	(27,130)	-	(3,297,828)
— Non-controlling interests	143,810	(4,311)	-	139,499
	(3,126,888)	(31,441)	-	(3,158,329)

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) Business combinations under common control (Continued)

The effects of the common control combinations described above on the consolidated balance sheet as at 31 December 2024 are as follows:

	The Group before common control combinations RMB'000	Subsidiaries acquired RMB'000	Adjustments RMB'000	The Group after common control combinations RMB'000 (As restated)
Assets				
Non-current assets				
Property, plant and equipment ("PPE")	609,041	416,173	-	1,025,214
Right-of-use assets	54,141	36,220	-	90,361
Investment properties	195,832	-	-	195,832
Other intangible assets	913,775	446	-	914,221
Goodwill	2,551,858	-	-	2,551,858
Deferred income tax assets	977,068	-	-	977,068
Investments accounted for using the equity method	1,105,188	-	-	1,105,188
Prepayments	965,940	-	-	965,940
Financial assets at fair value through other comprehensive income ("FVOCI")	12,418	-	-	12,418
	7,385,261	452,839	-	7,838,100
Current assets				
Trade and other receivables and prepayments	7,380,871	42,062	-	7,422,933
Contract assets	-	8,408	-	8,408
Inventories	33,619	917	-	34,536
Financial assets at fair value through profit or loss	1,993,658	-	-	1,993,658
Restricted cash	137,912	-	-	137,912
Cash and cash equivalents	3,315,850	2,869	-	3,318,719
	12,861,910	54,256	-	12,916,166
Total assets	20,247,171	507,095	-	20,754,266

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) Business combinations under common control (Continued)

The effects of common control combinations described above on the consolidated balance sheet as at 31 December 2024 are as follows: (Continued)

	The Group before common control combinations RMB'000	Subsidiaries acquired RMB'000	Adjustments RMB'000	The Group after common control combinations RMB'000 (As restated)
Equity				
Equity attributable to shareholders of the Company				
Share capital	1,420,001	127,963	(127,963)	1,420,001
Other reserves	5,618,153	77,000	127,963	5,823,116
Retained earnings	2,369,610	(110,900)	-	2,258,710
	9,407,764	94,063	-	9,501,827
Non-controlling interests	1,742,622	(12,254)	-	1,730,368
Total equity	11,150,386	81,809	-	11,232,195
Liabilities				
Non-current liabilities				
Other payables	6,989	-	-	6,989
Contract liabilities	91,719	-	-	91,719
Borrowings	213,279	87,410	-	300,689
Lease liabilities	17,714	-	-	17,714
Deferred income tax liabilities	246,808	-	-	246,808
	576,509	87,410	-	663,919
Current liabilities				
Trade and other payables	6,365,019	329,092	-	6,694,111
Contract liabilities	1,415,070	11,188	-	1,426,258
Current income tax liabilities	464,457	(2,404)	-	462,053
Borrowings	248,395	-	-	248,395
Lease liabilities	27,335	-	-	27,335
	8,520,276	337,876	-	8,858,152
Total liabilities	9,096,785	425,286	-	9,522,071
Total equity and liabilities	20,247,171	507,095	-	20,754,266

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) Business combinations under common control (Continued)

The effects of common control combinations described above on the consolidated balance sheet as at 1 January 2024 are as follows:

	The Group before common control combinations RMB'000	Subsidiaries acquired RMB'000	Adjustments RMB'000	The Group after common control combinations RMB'000 (As restated)
Assets				
Non-current assets				
Property, plant and equipment ("PPE")	632,800	437,699	-	1,070,499
Right-of-use assets	82,511	37,040	-	119,551
Investment properties	262,995	-	-	262,995
Other intangible assets	1,170,180	593	-	1,170,773
Goodwill	2,887,011	-	-	2,887,011
Deferred income tax assets	385,182	-	-	385,182
Investments accounted for using the equity method	1,202,285	-	-	1,202,285
Prepayments	923,797	-	-	923,797
Financial assets at fair value through other comprehensive income ("FVOCI")	12,593	-	-	12,593
Financial assets at fair value through profit or loss	3,238	-	-	3,238
	7,562,592	475,332	-	8,037,924
Current assets				
Trade and other receivables and prepayments	10,206,581	42,102	-	10,248,683
Contract assets	-	5,210	-	5,210
Inventories	38,518	2,249	-	40,767
Financial assets at fair value through profit or loss	2,000,112	-	-	2,000,112
Restricted cash	167,912	-	-	167,912
Cash and cash equivalents	4,074,865	5,152	-	4,080,017
	16,487,988	54,713	-	16,542,701
Total assets	24,050,580	530,045	-	24,580,625

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) Business combinations under common control (Continued)

The effects of common control combinations described above on the consolidated balance sheet as at 1 January 2024 are as follows: (Continued)

	The Group before common control combinations RMB'000	Subsidiaries acquired RMB'000	Adjustments RMB'000	The Group after common control combinations RMB'000 (As restated)
Equity				
Equity attributable to shareholders of the Company				
Share capital	1,420,001	127,963	(127,963)	1,420,001
Other reserves	5,625,031	77,000	127,963	5,829,994
Retained earnings	5,768,108	(83,770)	-	5,684,338
	12,813,140	121,193	-	12,934,333
Non-controlling interests	1,635,991	(7,943)	-	1,628,048
Total equity	14,449,131	113,250	-	14,562,381
Liabilities				
Non-current liabilities				
Other payables	2,891	-	-	2,891
Contract liabilities	83,631	-	-	83,631
Borrowings	115,369	67,321	-	182,690
Lease liabilities	42,069	-	-	42,069
Deferred income tax liabilities	313,152	-	-	313,152
	557,112	67,321	-	624,433
Current liabilities				
Trade and other payables	6,683,371	312,923	-	6,996,294
Contract liabilities	1,567,840	6,366	-	1,574,206
Current income tax liabilities	576,025	(2,404)	-	573,621
Borrowings	181,386	32,589	-	213,975
Lease liabilities	35,715	-	-	35,715
	9,044,337	349,474	-	9,393,811
Total liabilities	9,601,449	416,795	-	10,018,244
Total equity and liabilities	24,050,580	530,045	-	24,580,625



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control, which is the power to participate in the financial and operating policy decisions of the investee. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 2.2.4 below), after initially being recognised at cost.

2.2.3 Joint ventures

Interests in joint ventures are accounted for using the equity method (see Note 2.2.4 below), after initially being recognised at cost in the consolidated balance sheet.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

2.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.5 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.11.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Business combinations not under common control

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity, and
- over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Business combinations not under common control (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Where the Group enters into a contract that contains an obligation (for example a written put option exercisable by the contract counterparty) to acquire shares in a partly-owned subsidiary company from the owner of the non-controlling interest, which is not part of a business combination, the Group records a financial liability in respect of the present value of the redemption amount with a corresponding charge directly to equity. Changes to the value of the financial liability are recognised in the consolidated income statement within finance costs.

2.4 Merger accounting for common control combination

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous date of statement of financial position or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director that makes strategic decisions.

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within "other losses — net" in the consolidated income statement.

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased property, plant and equipment, the shorter lease term as follows:

Buildings	5–60 years
Transportation equipment	2–10 years
Office equipment	2–10 years
Machinery	2–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other losses — net" in the consolidated income statement.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.9 Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in consolidated income statement as part of "other losses — net".



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (“CGUs”) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 5 to 15 years.

(c) Customer relationship and backlogs

Customer relationship and backlogs acquired in a business combination is recognised at fair value at the acquisition date. The contractual customer relations and backlogs have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 2 to 10 years for the customer relationship and backlogs.

(d) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 2 to 10 years.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Intangible assets (Continued)

(e) Research and development costs

Research and development costs that are directly attributable to the design and testing of identifiable and unique software products, for example, applications, controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the research and development and to use the software product are available; and
- The expenditure attributable to the software product during its research and development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.11 Impairment of non-financial assets

Goodwill is not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other losses — net", together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

Financial assets at FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other losses — net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other losses — net" and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.

Financial assets at FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other losses — net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other losses — net" in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1.2 for further details.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 12 months and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 20 for further information about the Group's accounting for trade and other receivables and Note 3.1.2 for a description of the Group's impairment policies.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Cash and cash equivalents, restricted cash

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks. Bank deposits which are restricted to use are included in “restricted cash” of the consolidated balance sheet.

2.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.20 Borrowing costs

All borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, associates and joint ventures including existing taxable temporary differences, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.22 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(a) Pension obligations

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administered funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(b) Housing benefits

Full-time PRC employees of the Group are entitled to participate in government-sponsored housing funds. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds are expensed as incurred.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

Short-term obligations (Continued)

(e) *Share-based payments*

For grant of shares by the Company's one of shareholders to former and existing employees (including directors) of the Group with outstanding contributions to the development of the Company, the amount to be expensed as share-based compensation expenses is determined by reference to the fair value of the shares granted. The fair value of each granted share is determined by the difference between the market price of the Company's share and the grant price of each granted share at the grant date, taking into account all non-vesting conditions. The granted shares are automatically vested on the date of grant. The share-based compensation expenses is recognised in employee benefit expenses, together with a corresponding increase in equity.

2.23 Provisions

Provisions for environmental restoration, restructuring costs, and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.24 Revenue recognition

The Group are primarily engaged in the provision of property management services, related value-added services and city sanitation and cleaning services. Revenue from providing services is recognised in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's performance when the Group performs.

For property management services and city sanitation and cleaning services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group entitles to revenue at the value of property management services and city sanitation and cleaning services fee received or receivable. The revenue of the property management services income is primarily generated from properties managed under lump sum basis.

For value-added services related to non-property management (including pre-delivery services, household assistance services, property agency services and other services), the Group agrees the price for each service with the customers upfront and issues the monthly bill to the customers which varies based on the actual level of service completed in that month.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.24 Revenue recognition (Continued)

For value-added services related to property management, revenue is recognised when the related community value-added services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

Revenue from sales of goods is recognised when the Group has delivered the goods to the purchaser and the collectability of related consideration is reasonably assured.

If contracts involve the sale of multiple services, the transaction price allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer when the right is conditional on something other than passage of time.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised. The Group applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense immediately if the amortisation period is less than 12 months.

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.25 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.26 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the Group under residual value guarantees the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and, payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.



Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.26 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise staff dormitories and small items of office furniture.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

Notes to the Consolidated Financial Statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.29 Interest income

Interest income from financial assets at FVPL is included in the gains on redemption and disposal of financial assets at FVPL, see Note 10 below. Any other interest income is included in other income, see Note 9 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and price risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(i) Foreign exchange risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk arise primarily from its financial assets and liabilities denominated in HK\$, US dollar ("US\$") and Australia dollar ("AUD\$"). These are not the functional currencies of the group entities to which these transactions relate. As the financial assets and liabilities denominated in HK\$, US\$ and AUD\$ are insignificant, the exposure to foreign currency risk is considered minimal.

(ii) Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings carried at floating rates expose the Group to cash flow interest-rate risk whereas those carried at fixed rates expose the Group to fair value interest-rate risk.

The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise

As at 31 December 2025 and 2024, management considers that Group's exposure to interest rate is considered immaterial.



Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables (excluding prepayments), financial assets at FVPL and cash deposits at banks (including restricted cash). The carrying amounts of trade and other receivables (excluding prepayments), financial assets at FVPL, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of individual property owner or the debtor
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

(a) Cash deposit at banks (including restricted cash)

The Group expects that there is no significant credit risk associated with cash deposits at banks (including restricted cash) since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. Future cash flows for each group of receivables are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of insolvencies include, amongst others, the failure of a debtor engage in a repayment plan with the Group, and a failure to make contractual payments. Trade receivables without known insolvencies are assessed on a collective basis based on shared credit risk characteristics.

Trade receivables have been assessed for impairment on a collective basis based on different credit risk characteristics. Trade receivables are categorised as follows for assessment purpose:

Group 1:	Trade receivables due from third parties arising from resident properties
Group 2:	Trade receivables due from third parties arising from non-resident properties
Group 3:	Trade receivables due from related parties (excluding Greenland Holdings Group Company Limited (“Greenland Holdings”) and its subsidiaries and joint ventures)
Group 4:	Trade receivables due from Greenland Holdings and its subsidiaries and joint ventures

For trade receivables of group 1 and 2, the expected loss rates are based on the historical loss rates and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the most relevant factors for different group of customers (e.g. money supply and population percent change from a year earlier), and accordingly adjusts the historical loss rates based on expected changes in these factors.

For trade receivables of group 3 and 4, the expected credit loss rate is estimated by considering the probability of default and loss given default and adjusting for forward-looking macroeconomic data.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade receivables (Continued)

As at 31 December 2025, the Group considers there is a high credit risk maintained on trade receivables of group 3 with gross amounts of RMB3,527,277,000 (2024 (restated): RMB3,573,728,000). Regarding the trade receivable of group 3, management assessed the expected credit losses by considering scenarios weightings, current situations and forecasts of future conditions of Agile Holdings, macroeconomic data and other factors. Management considered the expected credit losses amounting to RMB3,160,995,000 (31 December 2024: RMB3,213,788,000) were made against the gross amounts of trade receivables of group 3, and it may affect the expected credit losses of the trade receivables of group 3 if the macroeconomic data, scenarios weightings change.

- (i) On that basis, as at 31 December 2025, the loss allowance provision for the trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables (Group 1)					
Expected loss rate	8.52%	21.40%	34.46%	56.57%	
Gross carrying amount (RMB'000)	973,380	387,987	196,367	333,632	1,891,366
Loss allowance provision (RMB'000)	82,966	83,040	67,669	188,724	422,399
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables (Group 2)					
Expected loss rate	3.08%	17.33%	33.88%	79.85%	
Gross carrying amount (RMB'000)	1,847,173	429,535	273,477	187,651	2,737,836
Loss allowance provision (RMB'000)	56,809	74,436	92,662	149,834	373,741

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade receivables (Continued)

(i) (Continued)

	Total
Trade receivables (Group 3)	
Expected loss rate	89.62%
Gross carrying amount (RMB'000)	3,527,277
Loss allowance provision (RMB'000)	3,160,995

	Total
Trade receivables (Group 4)	
Expected loss rate	50.00%
Gross carrying amount (RMB'000)	360,954
Loss allowance provision (RMB'000)	180,477

As at 31 December 2024, the loss allowance provision for the trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total (Restated)
Trade receivables (Group 1)					
Expected loss rate	8.08%	21.45%	35.19%	61.47%	
Gross carrying amount (RMB'000)	974,465	345,102	188,409	277,916	1,785,892
Loss allowance provision (RMB'000)	78,782	74,037	66,296	170,822	389,937

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade receivables (Continued)

(i) (Continued)

	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total (Restated)
Trade receivables (Group 2)					
Expected loss rate	2.81%	15.72%	33.94%	83.39%	
Gross carrying amount (RMB'000)	1,971,650	436,281	212,710	75,606	2,696,247
Loss allowance provision (RMB'000)	55,401	68,576	72,187	63,046	259,210
					Total (Restated)
Trade receivables (Group 3)					
Expected loss rate				89.93%	
Gross carrying amount (RMB'000)					3,573,728
Loss allowance provision (RMB'000)					3,213,788
					Total (Restated)
Trade receivables (Group 4)					
Expected loss rate				49.73%	
Gross carrying amount (RMB'000)					407,306
Loss allowance provision (RMB'000)					202,559

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(c) Other receivables

A summary of the assumptions underpinning the Group's expected credit loss model for other receivables is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Performing ("Stage 1")	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming ("Stage 2")	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Non-performing ("Stage 3")	Interest and/or principal repayments are 60 days past due	Lifetime expected losses

On that basis, as at 31 December 2025 and 2024, the loss allowance provision for the other receivables was determined as follows. The expected credit losses below also incorporated forward-looking information.

	Performing	Under-performing	Non-performing	Total
As at 31 December 2025				
Gross carrying amount (RMB'000)	2,632,919	1,899,530	711,558	5,244,007
Expected loss rate	3.95%	49.90%	90.10%	32.29%
Loss allowance provision (RMB'000)	(104,025)	(947,875)	(641,138)	(1,693,038)
	Performing	Under-performing	Non-performing	Total (Restated)
As at 31 December 2024				
Gross carrying amount (RMB'000)	2,187,959	905,658	720,000	3,813,617
Expected loss rate	4.78%	57.36%	90.22%	33.40%
Loss allowance provision (RMB'000)	(104,480)	(519,525)	(649,580)	(1,273,585)

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

- (d) As at 31 December 2025 and 2024, the loss allowance provision for trade and other receivables (excluding prepayments) reconciles to the opening loss allowance for that provision as follows:

	Trade receivables RMB'000	Other receivables (excluding prepayments) RMB'000	Total RMB'000
At 1 January 2025	4,065,494	1,273,585	5,339,079
Provision for loss allowance — net	95,913	441,861	537,774
Impact of disposal of subsidiaries	(4,428)	(81)	(4,509)
Receivables written off during the year as uncollectible	(19,367)	(22,327)	(41,694)
At 31 December 2025	4,137,612	1,693,038	5,830,650

	Trade receivables RMB'000	Other receivables (excluding prepayments) RMB'000	Total RMB'000
At 1 January 2024	1,053,795	266,888	1,320,683
Impact of acquisition of subsidiaries	—	32	32
Provision for loss allowance — net	3,032,350	1,296,983	4,329,333
Impact of disposal of subsidiaries	(7,269)	(288,613)	(295,882)
Receivables written off during the year as uncollectible	(13,382)	(1,705)	(15,087)
At 31 December 2024	4,065,494	1,273,585	5,339,079

- (e) The Group's maximum exposure to credit risk at the end of reporting period is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Trade and other receivables (excluding prepayments) (Note 20)	7,930,790	6,937,711
Restricted cash	218,994	137,912
Cash and cash equivalents (Note 24)	3,044,670	3,318,719
Financial assets at FVPL (Note 23)	720,300	1,993,658
	11,914,754	12,388,000

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk

Management aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including short-term and long-term borrowings and capital injection by the shareholders to meet its daily operation working capital requirements.

The table below set out the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
As at 31 December 2025					
Borrowings	296,697	50,054	14,250	–	361,001
Trade and other payables*	5,690,068	4,353	–	–	5,694,421
Lease liabilities	29,101	13,836	9,765	133	52,835
	6,015,866	68,243	24,015	133	6,108,257
	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000 (Restated)
As at 31 December 2024					
Borrowings	259,776	265,876	47,397	–	573,049
Trade and other payables*	5,756,634	6,989	–	–	5,763,623
Lease liabilities	28,130	14,142	4,313	372	46,957
	6,044,540	287,007	51,710	372	6,383,629

* Trade and other payables in this analysis do not include the accrued payroll and other tax payables.

3.1.4 Price risk

The Group's exposure to equity securities price risk arises from Hong Kong listed equity securities held by the Group and classified in the consolidated balance sheet as financial assets at FVPL.

As at 31 December 2025 and 2024, management considers that price risk related to financial assets at FVPL was insignificant.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

The Group monitors its capital structure by maintaining its gearing ratio at a prudent level. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents and restricted cash.

As at 31 December 2025 and 2024, the Group maintained at net cash position.

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2025		Level 3 RMB'000	Total RMB'000
	Notes		
Financial assets			
Financial assets at FVPL			
Wealth management products	23	300	300
Trusts	23	715,000	715,000
Unlisted limited partnership	23	5,000	5,000
		720,300	720,300
Financial assets at FVOCI			
Unlisted equity securities	19	-	-
Total financial assets		720,300	720,300

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

Recurring fair value measurements At 31 December 2024			
	Notes	Level 3 RMB'000	Total RMB'000
Financial assets			
Financial assets at FVPL			
Wealth management products	23	300	300
Trusts	23	1,988,358	1,988,358
Unlisted limited partnership	23	5,000	5,000
		1,993,658	1,993,658
Financial assets at FVOCI			
Unlisted equity securities	19	12,418	12,418
Total financial assets		2,006,076	2,006,076

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses estimated discounted cash flows to make assumptions.

The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for wealth management products, trusts, structural deposits, unlisted limited partnership and unlisted equity securities.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. For transfers into and out of level 3 measurements see (b) below.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

- (b) The Group's financial assets at fair values included wealth management products, trusts, structural deposits, unlisted limited partnership, contingent consideration and unlisted equity securities, fair value of which are estimated based on unobservable inputs (level 3). The following table presents the changes in level 3 instruments for the years ended 31 December 2025 and 31 December 2024:

	Financial assets at FVOCI					Total RMB'000
	Wealth management products RMB'000	Trust RMB'000	Unlisted limited partnership RMB'000	Contingent consideration RMB'000	Financial assets at FVOCI Unlisted entity securities RMB'000 (Note 19)	
Opening balance as at 1 January 2025	300	1,988,358	5,000	-	12,418	2,006,076
Additions	785,500	-	-	-	-	785,500
Gains/(losses) recognised in profit or loss	2,176	(13,452)	-	-	-	(11,276)
Losses recognised in other comprehensive income	-	-	-	-	(3,325)	(3,325)
Disposal and settlements	(787,676)	(1,259,906)	-	-	(9,093)	(2,056,675)
Closing balance as at 31 December 2025	300	715,000	5,000	-	-	720,300
Including unrealised losses recognised in profit attributable to balances held at 31 December 2025	-	(13,900)	-	-	-	(13,900)

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) (Continued)

	Financial assets at FVPL				Financial assets at FVOCI	Total
	Wealth management products RMB'000	Trust RMB'000	Unlisted limited partnership RMB'000	Contingent consideration RMB'000	Unlisted entity securities RMB'000 (Note 19)	
Opening balance as at 1 January 2024	3,000	1,996,014	-	3,238	12,593	2,014,845
Additions	783,750	-	5,000	-	-	788,750
Gains/(losses) recognised in profit or loss	2,596	19,601	-	(3,238)	-	18,959
Disposal of subsidiaries	(5,000)	-	-	-	-	(5,000)
Disposal and settlements	(784,046)	(27,257)	-	-	(175)	(811,478)
Closing balance as at 31 December 2024	300	1,988,358	5,000	-	12,418	2,006,076
Including unrealised gains/(losses) recognised in profit attributable to balances held at 31 December 2024	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

- (c) Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follows:

Description	Fair value at 31 December 2025 RMB'000	Valuation techniques	Unobservable input	Range (probability- weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	300	Discounted cash flow	Expected interest rate per annum	2.4%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB1,000
Trusts	715,000	Income approach	Expected interest rate per annum	1.2%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB826,000
Unlisted limited partnership	5,000	Share of net assets	N/A	N/A	N/A

Description	Fair value at 31 December 2024 RMB'000	Valuation techniques	Unobservable input	Range (probability- weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	300	Discounted cash flow	Expected interest rate per annum	3.6%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB1,000
Trusts	1,988,358	Income approach	Expected interest rate per annum	4.2%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB3,040,000
Unlisted equity securities	12,418	Guideline public companies method	Expected net profit	RMB4,690,000	A change in expected net profit +/- 10% results in a change in fair value by RMB1,525,000
Unlisted limited partnership	5,000	Share of net assets	N/A	N/A	N/A



Notes to the Consolidated Financial Statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Estimated impairment of goodwill

The Group tests whether goodwill has suffered any impairment annually, or more frequently if events or changes in circumstances predict that goodwill may be impaired, in accordance with the accounting policy stated in Note 2.10, where the recoverable amounts of the CGUs is determined based on value-in-use ("VIU") calculations. These calculations require the use of estimates. Details of impairment assessment, key assumptions and impact of possible changes in key assumptions are disclosed in Note 17.

(b) Estimation of the useful life of customer relationship identified in business combination

Customer relationship and backlog identified in the business combination on respective acquisition date are recognised as intangible assets (Note 17). Customer relationship and backlog primarily related to the existing property management and city sanitation and cleaning contracts of acquirees on the acquisition date. A large portion of the existing property management contracts of acquirees are with no specific expiration date. Based on past experience, termination or non-renewal of these property management contracts with the property developers or property owners' association are uncommon. Other contracts are with remaining contract periods of one month to seventeen years. The Group thus estimates the useful life and determines the amortisation period of the customer relationship and backlog to be two to ten years based on the weighted average expected contract duration of the contracts.

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

(c) Expected credit losses on receivables

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

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and loss allowance provision in the periods in which such estimate has been changed. For details of key assumptions and inputs used, please refer to Note 3.1.2 above.



Notes to the Consolidated Financial Statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Current and deferred income tax

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

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(e) Fair value measurement of financial instruments

Financial asset at FVPL and financial assets at FVOCI amounting to RMB720,300,000 (2024: RMB1,993,658,000) and Nil (2024: RMB12,418,000) respectively as at 31 December 2025 is measured at fair value with fair value being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Further disclosures regarding the fair value measurement of these financial assets are set out in Note 3.3 above.

(f) Fair value of investment properties

Investment properties are carried at fair value in the consolidated statement of balance sheet and the changes in the fair value recognised in the profit or loss. It obtains independent valuations at least annually. In making the judgement, consideration is given to assumptions that are mainly based on market conditions existing at the reporting date, expected rental from future leases in the light of current market conditions and appropriate capitalisation rates. Changes in subjective input assumptions can materially affect the fair value estimate. The key assumptions used in the valuation in determining fair value for the Group's portfolio of properties are set out in Note 16 to the consolidated financial statements.

5. SEGMENT INFORMATION

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

During the years ended 31 December 2025 and 2024, the Group was principally engaged in the provision of (i) property management services, (ii) related value-added services, including pre-delivery services, household assistance services, property agency services and other services, and (iii) city sanitation and cleaning services in the PRC.

All the acquired subsidiaries were principally engaged in the provision of property management services, related value-added services and city sanitation and cleaning services. After acquisition, management reviews the operating results of the business of the acquired subsidiaries and the original business to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there are several operating segments, which are used to make strategic decisions.

Notes to the Consolidated Financial Statements

5. SEGMENT INFORMATION (Continued)

For the year ended 31 December 2025, all the operating segments are domiciled in the PRC and all the revenue are derived in the PRC. As at 31 December 2025, the Group's assets are substantially located inside the PRC. Therefore, no geographical segments are presented.

6. REVENUE

Revenue mainly comprises proceeds from property management services, related value-added services and city sanitation and cleaning services. An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 is as follows:

	Timing of revenue recognition	Year ended 31 December	
		2025 RMB'000	2024 RMB'000 (Restated)
Property management services	over time	10,636,088	10,980,938
Value-added services related to property management			
— Other value-added services	over time	1,082,383	1,504,025
— Sales of goods	at a point in time	67,595	153,817
City sanitation and cleaning services	over time	1,106,384	1,303,641
		12,892,450	13,942,421

(a) Contract liabilities

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

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Contract liabilities		
— Property management services	1,486,863	1,499,005
— Value-added services related to property management	9,637	7,784
— City sanitation and cleaning services	7,256	11,188
	1,503,756	1,517,977
Less: non-current portion of contract liabilities	(137,075)	(91,719)
Current portion of contract liabilities	1,366,681	1,426,258

Notes to the Consolidated Financial Statements

6. REVENUE (Continued)

(a) Contract liabilities (Continued)

- (i) The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from property management services.

(ii) Revenue recognised in relation to contract liabilities

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
Property management services	1,407,286	1,405,305
Value-added services related to property management	7,784	43,712
City sanitation and cleaning services	11,188	6,366
	1,426,258	1,455,383

(iii) Unsatisfied performance obligations

For property management services, part of value-added services and city sanitation and cleaning services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts.

For other value-added services related to property management, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts.

Notes to the Consolidated Financial Statements

7. EXPENSES BY NATURE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Auditor's remunerations		
— Audit services	5,393	5,550
Advertising expenses	35,676	47,883
Catering outsourcing fee	17,813	23,613
Cleaning expenses	1,485,925	1,559,963
Cost of consumables	408,783	474,564
Cost of goods sold	60,353	143,796
Consulting fees	72,097	84,861
Depreciation and amortisation charges	364,967	393,429
Employee benefit expenses (Note 8)	5,327,983	5,710,877
Greening and gardening expenses	271,685	276,536
IT system maintenance expenses	20,618	21,847
Maintenance costs	745,016	765,029
Office expenses	77,051	90,119
Rental expenses paid relating to short-term and low-value leases (Note 15(b))	108,796	133,003
Security charges	1,629,758	1,686,072
Utilities	709,576	682,999
Taxes and other levies	58,053	64,702
Travelling and entertainment expenses	95,215	118,740
Transportation expenses and customer service charges	118,210	104,765
Others	288,619	316,598
	11,901,587	12,704,946

Notes to the Consolidated Financial Statements

8. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Wages and salaries and bonus	4,405,395	4,765,341
Contribution to pension scheme (Note (a))	648,825	594,651
Housing benefits	83,593	100,973
Other employee benefits (Note (b))	190,170	249,912
Total (including emoluments of directors and supervisors)	5,327,983	5,710,877

- (a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated based on certain percentages of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

- (b) Other employee benefits mainly include other social insurance expenses, meal, travelling and festival allowances.
- (c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 include three directors (2024: two directors) and the directors' emoluments are reflected in the analysis shown in Note 36. The emoluments paid/payable to the remaining two individuals during the year ended 31 December 2025 (2024: three individuals) were as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	1,277	3,274
Contribution to pension scheme	78	67
	1,355	3,341

Notes to the Consolidated Financial Statements

8. EMPLOYEE BENEFIT EXPENSES (Continued)

(c) (Continued)

	Number of individuals Year ended 31 December	
	2025	2024
Emolument bands (in HK\$)		
HK\$500,001 – HK\$1,000,000	2	–
HK\$1,000,001 – HK\$1,500,000	–	2
HK\$1,500,001 – HK\$2,000,000	–	1

9. OTHER INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Interest income:		
— from deposits and loans to third parties	44,293	60,509
— from loans to related parties (Note 34(e))	524	450
Tax incentives (Note (b))	5,342	8,986
Government grants (Note (a))	55,908	30,389
Rental income (Note 16)	982	890
Miscellaneous	2,419	5,315
	109,468	106,539

- (a) Government grants consisted mainly of financial subsidies granted by the local governments. There are no unfulfilled conditions or other conditions attached to the government grant recognised during the year ended 31 December 2025 and 2024.
- (b) Tax incentives mainly included additional deduction of input value-added tax applicable to the Company and its certain subsidiaries.

Notes to the Consolidated Financial Statements

10. OTHER LOSSES – NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Losses from disposal of investments accounted for using the equity method	(34,885)	(127,602)
Net fair value losses on financial assets at FVPL (Note 23(a))	(13,900)	(3,238)
Gains on redemption and disposal on financial assets at FVPL (Note 23(a))	2,624	22,209
Losses from disposal of subsidiaries (Note 33)	(3,470)	(103,986)
Fair value losses on investment properties (Note 16)	(20,348)	(10,365)
Net foreign exchange losses	–	(1,354)
Losses on disposal of PPE and investment properties	(31,588)	(6,900)
Losses on derecognition of financial assets at amortised cost (note)	(165,764)	–
Miscellaneous	(13,154)	(6,964)
	(280,485)	(238,200)

Note:

During the year, the amount mainly included the disposal to certain third parties of long-aged trade and other receivables with a gross carrying amount of RMB187,356,000 for a total consideration of RMB40,950,000.

11. FINANCE COSTS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Interest expense of borrowings	29,056	43,896
Interest and finance charges paid/payable for lease liabilities (Note 15(b))	3,150	2,977
	32,206	46,873

Notes to the Consolidated Financial Statements

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Particulars of the principal subsidiaries of the Group at 31 December 2025 are set out below:

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025	2024	2025	2024
Directly held by the Company							
Guangzhou Agile Property Management Services Co., Ltd.* 廣州雅居樂物業管理服務有限公司	The PRC, Limited liability company	RMB1,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Guangzhou Yaxin Engineering Consultancy Co., Ltd.* 廣州市雅信工程諮詢有限公司	The PRC, Limited liability company	RMB1,000,000	House inspection services in Mainland of the PRC	100%	100%	0%	0%
Nanjing Zizhu Property Management Services Co., Ltd.* 南京紫竹物業管理股份有限公司	The PRC, Limited liability company	RMB11,764,705	Property management services in Mainland of the PRC	51%	51%	49%	49%
Harbin Jingyang Property Management Co.,Ltd.* ("Harbin Jingyang") 哈爾濱景陽物業管理有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Qingdao Huaren Property Co., Ltd.* ("Qingdao Huaren") 青島華仁物業股份有限公司	The PRC, Limited liability company	RMB46,875,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Kaiping Agile Enterprise Management Services Co., Ltd.* 開平雅居樂雅生活物業管理有限公司	The PRC, Limited liability company	RMB500,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Foshan Nanhai Agile Property Management Services Co., Ltd.* 佛山市南海區雅居樂物業管理服務有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Guangzhou Huadu Agile Property Management Services Co., Ltd.* 廣州市花都雅居樂物業管理服務有限公司	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%

Notes to the Consolidated Financial Statements

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Particulars of the principal subsidiaries of the Group at 31 December 2025 are set out below: (Continued)

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025	2024	2025	2024
Directly held by the Company (Continued)							
A-Living Smart Property Services Co., Ltd.* (formerly known as: Hainan Agile Property Services Co., Ltd.)* 雅生活智慧物業服務有限公司 (前稱：海南雅居樂物業服務有限公司)	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Harrogate Property Services (Shanghai) Co., Ltd.* 雅萊格物業服務(上海)有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Guangzhou Harrogate Property Management Services Co., Ltd.* 廣州雅萊格物業管理服務有限公司	The PRC, Limited liability company	RMB1,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Guangzhou Yatian Network Technology Co., Ltd.* ("Guangzhou Yatian") 廣州市雅天網路科技有限公司	The PRC, Limited liability company	RMB10,000,000	Software engineering services in Mainland of the PRC	100%	100%	0%	0%
Guangzhou Yafang Travel Co., Ltd.* 廣州市雅方旅遊有限公司	The PRC, Limited liability company	RMB1,000,000	Travel agency services in Mainland of the PRC	100%	100%	0%	0%
Guangzhou Yatao Advertisement Co., Ltd.* 廣州市雅韜廣告有限公司	The PRC, Limited liability company	RMB1,000,000	Advertising services in Mainland of the PRC	100%	100%	0%	0%
A-TRO Properties Consultancy Co, Ltd.* 雅卓房地產顧問有限公司	The PRC, Limited liability company	RMB1,000,000	Real estate marketing services in Mainland of the PRC	100%	100%	0%	0%
Greenland Property Services Co., Ltd.* ("Greenland Property Services") 上海綠地物業服務有限公司	The PRC, Limited liability company	RMB50,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Shandong A-Living Changbo Property Services Co., Ltd.* 山東雅生活暢博物業服務有限公司	The PRC, Limited liability company	RMB1,451,500	Property management services in Mainland of the PRC	60%	60%	40%	40%
Shenzhen Jingji Domestic Property Management Co., Ltd.* 深圳市京基住宅物業管理有限公司	The PRC, Limited liability company	RMB500,000	Property management services in Mainland of the PRC	100%	100%	0%	0%
Zhanjiang Xiyue Jingjicheng Property Services Co., Ltd.* 湛江市西粵京基城物業服務有限公司	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	100%	100%	0%	0%

Notes to the Consolidated Financial Statements

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Particulars of the principal subsidiaries of the Group at 31 December 2025 are set out below:
(Continued)

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest			
				Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025	2024	2025	2024
Indirectly held by the Company							
A-Living Holdings (Hong Kong) Limited 雅生活控股(香港)有限公司	Hong Kong, Limited liability company	HK\$62,115,600	General trading, business consulting services, electronic commerce and investment in Hong Kong	100%	100%	0%	0%
Guangzhou Yatong Intelligent Technology Co., Ltd.* 廣州市雅通智能科技有限公司	The PRC, Limited liability company	RMB1,000,000	Information technology consulting service in Mainland of the PRC	51%	51%	49%	49%
Heilongjiang Yatian Network Technology Co., Ltd.* 黑龍江雅天網路科技有限公司	The PRC, Limited liability company	RMB6,400,000	Software engineering services in Mainland of the PRC	100%	100%	0%	0%
Nantong Yazhuo Real Estate Marketing Co., Ltd.* 南通雅卓房地產行銷有限公司	The PRC, Limited liability company	RMB1,000,000	Real estate marketing services in Mainland of the PRC	100%	100%	0%	0%
HK A-TRO Property Marketing Co., Ltd. 香港雅卓房地產營銷有限公司	Hong Kong, Limited liability company	HK\$1,000,000	Real estate marketing services in Hong Kong	100%	100%	0%	0%
Guangzhou Yuehua Property Co., Ltd.* 廣州粵華物業有限公司	The PRC, Limited liability company	RMB10,300,000	Property management services in Mainland of the PRC	83%	83%	17%	17%
Chongqing Haitai Management Services Company Limited* (Note (i)) 重慶海泰管理服務有限公司	The PRC, Limited liability company	RMB50,500,000	Management services in Mainland of the PRC	31%	31%	69%	69%
Shanghai Minghua Property Management Company Limited* (Note (i)) 上海明華智慧城市運營管理有限公司	The PRC, Limited liability company	RMB70,000,000	Property management services in Mainland of the PRC	59%	59%	41%	41%
Changzhou Zhongfang Property Company Limited* (Note (i)) 常州中房物業有限公司	The PRC, Limited liability company	RMB10,800,000	Property management services in Mainland of the PRC	42%	42%	58%	58%
Shanghai Ruixiang Shangfang Property Management Company Limited* (Note (i)) 上海銳翔上房物業管理有限公司	The PRC, Limited liability company	RMB12,000,000	Property management services in Mainland of the PRC	60%	60%	40%	40%

Notes to the Consolidated Financial Statements

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Particulars of the principal subsidiaries of the Group at 31 December 2025 are set out below: (Continued)

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest			
				held by the Group		held by non-controlling interests	
				2025	2024	2025	2024
Indirectly held by the Company (Continued)							
A-Living Futurelife Property Management Limited*	The PRC, Limited liability company	RMB1,400,000,000	Property management services in Mainland of the PRC	60%	60%	40%	40%
雅生活未來物業管理服務有限公司							
Shenzhen Longcheng Property Management Company Limited* (Note (i))	The PRC, Limited liability company	RMB73,840,000	Property management services in Mainland of the PRC	38%	38%	62%	62%
龍城城市運營服務集團有限公司							
Shanghai Kerui Real Estate Management Development Co., Ltd.* (Note (i))	The PRC, Limited liability company	RMB20,000,000	Property management services in Mainland of the PRC	31%	31%	69%	69%
上海科瑞物業管理發展有限公司							
Beijing Huifeng Qingxuan Environmental Technology Group Company Limited*	The PRC, Limited liability company	RMB80,000,000	Sanitation services in Mainland of the PRC	51%	51%	49%	49%
北京慧豐清軒環境科技集團有限公司							
Shaanxi Mingtang Sanitation Company Limited*	The PRC, Limited liability company	RMB30,000,000	Sanitation services in Mainland of the PRC	60%	60%	40%	40%
陝西明堂環衛有限公司							
A-living Mingri Environmental Development Co., Ltd.*	The PRC, Limited liability company	RMB99,900,000	Sanitation services in Mainland of the PRC	51%	51%	49%	49%
雅生活明日環境發展有限公司							
Tiantongyuan Community Management Services Group Limited ("Tiantongyuan")	Cayman Islands, Limited liability company	HK\$10	Investment holding	100%	100%	0%	0%
天通苑社區服務集團有限公司							
Shandong Hongtai Property Development Company Limited* ("Shandong Hongtai")	The PRC, Limited liability company	RMB74,000,000	Property management services in Mainland of the PRC	86%	86%	14%	14%
山東宏泰物業發展有限公司							
Dalian Yimei Enterprise Management Service Company Limited*	The PRC, Limited liability company	RMB11,784,652	Sanitation services in Mainland of the PRC	56%	56%	44%	44%
大連意美企業管理服務有限公司							

(i) The Group indirectly holds the equity interest in these companies through layers of holding structures and the Group has control over the board of directors of these companies who can make majority votes to decide the key financial and operating decisions of these companies. The proportion of equity interests as disclosed above represent the effective equity interests attributable to the Group.

* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

Notes to the Consolidated Financial Statements

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(b) Investments accounted for using the equity method

In the opinion of the directors, there is no associate and joint venture individually material to the Group.

The following table illustrates the aggregate summarized financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of post-tax profits of joint ventures and associates	45,938	17,682
Aggregate carrying amounts of the Group's investments accounted for using the equity method	1,070,659	1,105,188

The carrying amount of equity-accounted investments has changed as follows in the years ended 31 December 2025 and 2024:

	2025 RMB'000	2024 RMB'000
At beginning of the year	1,105,188	1,202,285
Additions	182	274,722
Share of post-tax profits of joint ventures and associates	45,938	17,682
Dividends declared	(18,774)	(15,334)
Transfer from subsidiaries (Note 33)	15	5,235
Transfer to subsidiaries	-	(20,923)
Disposal arising from disposals of subsidiaries	(61,890)	(358,479)
At the end of the year	1,070,659	1,105,188

(c) Subsidiary with material non-controlling interests

Nature of investment in the subsidiary with material non-controlling interests

Name of entity	Place of business/ country of incorporation	% of ownership interest
A-Living Futurelife PM 雅生活未來物業管理服務有限公司	The PRC	60%

Notes to the Consolidated Financial Statements

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(c) Subsidiary with material non-controlling interests (Continued)

(i) Summarised balance sheet

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Current assets	2,730,524	2,715,506
Current liabilities	(1,638,618)	(1,740,127)
Current net assets	1,091,906	975,379
Non-current assets	1,035,570	1,251,593
Non-current liabilities	(80,856)	(123,601)
Non-current net assets	954,714	1,127,992
Net assets	2,046,620	2,103,371
Accumulated NCI	1,049,597	1,035,738

(ii) Summarised statement of comprehensive income

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue	3,864,200	4,176,738
Profit for the year	52,354	139,506
Other comprehensive loss	(1,995)	-
Total comprehensive income	50,359	139,506
Profit allocated to NCI	38,024	70,869
Dividends declared to NCI	(22,835)	(65,965)

(iii) Summarised cash flows

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cash flows from operating activities	191,048	63,866
Cash flows from/(used in) investing activities	40,114	(15,824)
Cash flows (used in)/from financing activities	(205,834)	13,926
Net increase in cash and cash equivalents	25,328	61,968

Notes to the Consolidated Financial Statements

13. INCOME TAX (EXPENSES)/CREDIT

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Current income tax:		
— PRC corporate income tax	(251,540)	(340,257)
Deferred income tax (Note 29)	195,550	717,957
Income tax (expense)/credit	(55,990)	377,700

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the respective tax rate applicable to profits of the group entities as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Profit/(Loss) before income tax	272,579	(3,536,029)
Tax charge at effective rate applicable to profits in the respective group entities	30,056	(862,812)
Tax effects of:		
— Expenses not deductible for tax purposes	17,764	64,849
— Reversal of deferred tax assets recognised for tax losses in prior years	214	-
— Associates' and joint ventures' results reported net of tax	(11,484)	(4,420)
— Tax losses for which no deferred income tax asset was recognised	10,117	7,137
— Utilisation of tax losses previously not recognised	-	(2,380)
— Tax effect of deductible temporary differences not recognised	9,323	419,926
Income tax charged for the year	55,990	(377,700)

PRC corporate income tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated taxable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the group entities located in Mainland China is 25% (2024: 25%) according to the Corporate Income Tax Law of the PRC.

According to the Corporate Income Tax Law of the PRC, corporations which obtain the Certificate of High and New Technology Enterprise are entitled to enjoy additional tax deduction for research and development costs and a preferential tax rate of 15%.

Notes to the Consolidated Financial Statements

13. INCOME TAX (EXPENSES)/CREDIT (Continued)

PRC corporate income tax (Continued)

In 2020, Guangzhou Yatian obtained the Certificate of High and New Technology Enterprise with valid period from 2020 to 2022. In 2023, Guangzhou Yatian renewed the certificate and continues to enjoy the preferential income tax rate with three-year valid. The tax rate applicable to Guangzhou Yatian during the year ended 31 December 2025 was 15% (2024: 15%).

Certain subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% during the years ended 31 December 2025 and 2024.

Certain subsidiaries of the Group in the PRC are located in Hainan Free Trade Port and subject to a preferential income tax rate of 15% during the years ended 31 December 2025 and 2024.

Certain subsidiaries of the Group enjoy the preferential income tax treatment for Small and Micro Enterprise with the income tax rate of 20% and are eligible to have their tax calculated based on 25% of their taxable income.

Hong Kong income tax

No provision for Hong Kong profits tax has been made for the years ended 31 December 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong during the years.

14. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to equity holders of the Company of RMB104,974,000 (31 December 2024 (Restated): loss of RMB3,297,828,000) and on the weighted average number of 1,419,071,381 ordinary shares in issue (excluding treasury shares) during the year ended 31 December 2025 (31 December 2024: 1,420,000,800 ordinary shares).

The Company did not have any potential ordinary shares outstanding during the years ended 31 December 2025 and 2024. Diluted earnings/(loss) per share was equal to basic earnings/(loss) per share.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Profit/(Loss) attributable to shareholders of the Company (RMB'000)	104,974	(3,297,828)
Weighted average number of ordinary shares in issue excluding treasury shares (in thousands)	1,419,072	1,420,001
Basic earnings/(loss) per share for profit/(loss) attributable to the shareholders of the Company during the year (expressed in RMB per share)	0.07	(2.32)

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Movements

	Buildings RMB'000	Transportation equipment RMB'000	Office equipment RMB'000	Machinery RMB'000	Construction in progress RMB'000	Subtotal RMB'000	Right-of- use assets RMB'000	Total RMB'000
As at 1 January 2025								
Cost (Restated)	454,215	206,328	49,974	705,068	109,076	1,524,661	163,130	1,687,791
Accumulated depreciation and amortisation (Restated)	(85,112)	(103,190)	(27,583)	(283,562)	-	(499,447)	(72,769)	(572,216)
Net book amount (Restated)	369,103	103,138	22,391	421,506	109,076	1,025,214	90,361	1,115,575
Year ended 31 December 2025								
Opening net book amount (Restated)	369,103	103,138	22,391	421,506	109,076	1,025,214	90,361	1,115,575
Additions	20,659	18,543	4,777	35,931	1,159	81,069	41,650	122,719
Other disposals	(4,298)	(23,852)	(729)	(16,846)	-	(45,725)	(4,818)	(50,543)
Transfer from completed construction projects	2,154	-	-	-	(2,154)	-	-	-
Disposal of subsidiaries	(3)	(58)	(132)	(80)	-	(273)	-	(273)
Depreciation and amortisation charge	(16,233)	(29,178)	(10,320)	(100,563)	-	(156,294)	(30,233)	(186,527)
Closing net book amount	371,382	68,593	15,987	339,948	108,081	903,991	96,960	1,000,951
As at 31 December 2025								
Cost	471,369	171,878	50,282	696,203	108,081	1,497,813	153,303	1,651,116
Accumulated depreciation and amortisation	(99,987)	(103,285)	(34,295)	(356,255)	-	(593,822)	(56,343)	(650,165)
Net book amount	371,382	68,593	15,987	339,948	108,081	903,991	96,960	1,000,951
As at 1 January 2024								
Cost (Restated)	404,296	203,307	53,665	682,042	107,412	1,450,722	184,953	1,635,675
Accumulated depreciation and amortisation (Restated)	(69,401)	(81,427)	(25,771)	(203,624)	-	(380,223)	(65,402)	(445,625)
Net book amount (Restated)	334,895	121,880	27,894	478,418	107,412	1,070,499	119,551	1,190,050
Year ended 31 December 2024								
Opening net book amount (Restated)	334,895	121,880	27,894	478,418	107,412	1,070,499	119,551	1,190,050
Additions	51,104	14,736	6,547	70,891	1,664	144,942	14,862	159,804
Other disposals	(1,174)	(2,834)	(1,164)	(11,648)	-	(16,820)	(2,315)	(19,135)
Acquisition of a subsidiary	-	-	-	87	-	87	322	409
Disposal of subsidiaries	-	(1,080)	(931)	(1,279)	-	(3,290)	(8,780)	(12,070)
Depreciation and amortisation charge	(15,722)	(29,564)	(9,955)	(114,963)	-	(170,204)	(33,279)	(203,483)
Closing net book amount (Restated)	369,103	103,138	22,391	421,506	109,076	1,025,214	90,361	1,115,575
At 31 December 2024								
Cost (Restated)	454,215	206,328	49,974	705,068	109,076	1,524,661	163,130	1,687,791
Accumulated depreciation and amortisation (Restated)	(85,112)	(103,190)	(27,583)	(283,562)	-	(499,447)	(72,769)	(572,216)
Net book amount (Restated)	369,103	103,138	22,391	421,506	109,076	1,025,214	90,361	1,115,575

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(a) Movements (Continued)

Depreciation and amortisation expenses were charged to the following categories in the consolidated income statement:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Cost of sales	159,724	154,544
Selling and marketing expenses	92	1,506
Administrative expenses	26,711	47,433
	186,527	203,483

As at 31 December 2025, certain self-used PPE with net book value of RMB318,774,000 (2024 (restated): RMB384,372,000) were pledged as collateral for the Group's borrowings (Note 27).

(b) Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Right-of-use assets		
Land use rights	35,400	36,220
Buildings	42,217	31,237
Equipment	19,343	22,904
	96,960	90,361
Lease liabilities		
Current	27,152	27,335
Non-current	22,139	17,714
	49,291	45,049

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(b) Leases (Continued)

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000 (Restated)
Depreciation charge of right-of-use assets			
— Land use rights		(820)	(820)
— Buildings		(23,532)	(26,529)
— Equipment		(5,881)	(5,930)
		(30,233)	(33,279)
Interest expense (included in finance costs)	11	(3,150)	(2,977)
Rental expenses relating to short-term and low-value leases (included in cost of sales and administrative expenses)	7	108,796	(133,003)

Total cash outflow for lease in year ended 31 December 2025 was RMB144,536,000 (2024 (restated): RMB172,500,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and staff dormitories. Rental contracts are typically made for fixed periods of three months to 12 years (2024: three months to 15 years).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements

16. INVESTMENT PROPERTIES

	Commercial properties RMB'000
As at 1 January 2024	262,995
Addition	659
Revaluation losses recognised in the profit or loss (Note 10)	(10,365)
Disposals	(57,457)
As at 31 December 2024 and 1 January 2025	195,832
Addition	72,992
Revaluation losses recognised in the profit or loss (Note 10)	(20,348)
Disposals	(13,273)
As at 31 December 2025	235,203

(a) Amounts recognised in the consolidated income statement for investment properties:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Other income (Note 9)	982	890

(b) As at 31 December 2025, certain investment properties with market value of RMB21,210,000 were pledged as collateral for the Group's borrowings (2024: RMB27,524,000).

(c) As at 31 December 2025 and 2024, the Group had no unprovided contractual obligations for future repairs and maintenance.

(d) Fair value hierarchy

As at 31 December 2025 and 2024, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs. There were no transfers between level 1, 2 and 3 during the year.

(e) Valuation processes and techniques

The Group measures its investment properties at fair value. The investment properties were valued by the management at the acquisition date and 31 December 2025. Methods and key assumptions in determining the fair value of the investment as at respective dates are disclosed as follows:

Fair value measurements used significant unobservable inputs (level 3).

Notes to the Consolidated Financial Statements

16. INVESTMENT PROPERTIES (Continued)

(e) Valuation processes and techniques (Continued)

Fair values of investment properties are evaluated by using direct comparison approach, which is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

The main level 3 input used by the Group is market price.

(f) Valuation inputs and relationships to fair value

Description	Fair value at 31 December		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	2025 RMB'000	2024 RMB'000			
Commercial properties and residential properties	235,203	195,832	Market price (RMB/square meter)	5,100-26,500 (2024: 13,000-29,000)	The higher the market price, the higher the fair value

Notes to the Consolidated Financial Statements

17. OTHER INTANGIBLE ASSETS AND GOODWILL

	Computer software RMB'000	Trademarks RMB'000	Customer relationship and backlogs RMB'000	Subtotal RMB'000	Goodwill RMB'000	Total RMB'000
As at 1 January 2025						
Cost (Restated)	52,779	28,860	1,764,002	1,845,641	3,424,162	5,269,803
Accumulated amortisation (Restated)	(34,766)	(25,210)	(871,444)	(931,420)	-	(931,420)
Accumulated impairment losses (Restated)	-	-	-	-	(872,304)	(872,304)
Net book amount (Restated)	18,013	3,650	892,558	914,221	2,551,858	3,466,079
Year ended 31 December 2025						
Opening net book amount (Restated)	18,013	3,650	892,558	914,221	2,551,858	3,466,079
Additions	811	-	-	811	-	811
Other disposals	(62)	-	-	(62)	-	(62)
Disposal of subsidiaries	(175)	-	-	(175)	(8,420)	(8,595)
Amortisation	(8,936)	(1,188)	(168,316)	(178,440)	-	(178,440)
Closing net book amount	9,651	2,462	724,242	736,355	2,543,438	3,279,793
As at 31 December 2025						
Cost	53,162	28,860	1,764,002	1,846,024	3,415,742	5,261,766
Accumulated amortisation	(43,511)	(26,398)	(1,039,760)	(1,109,669)	-	(1,109,669)
Accumulated impairment losses	-	-	-	-	(872,304)	(872,304)
Net book amount	9,651	2,462	724,242	736,355	2,543,438	3,279,793
As at 1 January 2024						
Cost (Restated)	52,012	63,802	1,824,143	1,939,957	3,593,637	5,533,594
Accumulated amortisation (Restated)	(26,486)	(29,749)	(712,949)	(769,184)	-	(769,184)
Accumulated impairment losses (Restated)	-	-	-	-	(706,626)	(706,626)
Net book amount (Restated)	25,526	34,053	1,111,194	1,170,773	2,887,011	4,057,784
Year ended 31 December 2024						
Opening net book amount (Restated)	25,526	34,053	1,111,194	1,170,773	2,887,011	4,057,784
Additions	1,627	-	-	1,627	-	1,627
Acquisition of subsidiaries	-	-	-	-	618	618
Other disposals	(276)	-	-	(276)	-	(276)
Disposal of subsidiaries	(55)	(28,730)	(39,172)	(67,957)	(89,565)	(157,522)
Amortisation	(8,809)	(1,673)	(179,464)	(189,946)	-	(189,946)
Impairment losses	-	-	-	-	(246,206)	(246,206)
Closing net book amount (Restated)	18,013	3,650	892,558	914,221	2,551,858	3,466,079
As at 31 December 2024						
Cost (Restated)	52,779	28,860	1,764,002	1,845,641	3,424,162	5,269,803
Accumulated amortisation (Restated)	(34,766)	(25,210)	(871,444)	(931,420)	-	(931,420)
Accumulated impairment losses (Restated)	-	-	-	-	(872,304)	(872,304)
Net book amount (Restated)	18,013	3,650	892,558	914,221	2,551,858	3,466,079

Notes to the Consolidated Financial Statements

17. OTHER INTANGIBLE ASSETS AND GOODWILL (Continued)

Amortisation of intangible assets has been charged to the consolidated income statement as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Cost of sales	176,071	185,135
Administrative expenses	2,369	4,811
	178,440	189,946

Impairment tests for goodwill arising from business combinations in prior years

Goodwill of RMB2,543,438,000 (2024 (restated): RMB2,551,858,000) arising from business combinations in prior years has been allocated to the CGUs of subsidiaries acquired in prior years for impairment testing. Management performed an impairment assessment on the goodwill as at 31 December 2025. The net book amount of goodwill is allocated in CGUs as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Greenland Property Services	776,623	776,623
A-Living Futurelife PM	742,071	742,071
Others (note)	1,024,744	1,033,164
	2,543,438	2,551,858

Note: Others are individually below RMB270,000,000, which is considered not significant and therefore analysed in aggregate.

As at 31 December 2025, the recoverable amount of all CGUs have been assessed by an independent valuer or the management, which was determined based on VIU method. The VIU of all CGUs is determined by discounted cash flow based on financial projections approved by management covering a five-year period. The VIU results of CGUs were assessed to exceed their carrying amounts as at 31 December 2025.

By reference to the recoverable amount assessed by the independent valuer or the management as at 31 December 2025, the directors of the Company determined that no impairment provision on goodwill (2024: impairment provision on goodwill of RMB246,206,000) was required as at 31 December 2025.

As at 31 December 2024, management reassessed the key assumptions for impairment testing of goodwill of the three CGUs primarily involved in city services. It was considered that the Group proactively adjusted projects with poor payment collection with a focus on the overall fee collection efficiency and project quality of city services, resulting in a decreased overall scale in the future. According to management's estimation of the recoverable amount of these CGUs with the assistance of an independent valuer, impairment of goodwill of approximately RMB246,206,000 was recognised for these three CGUs in city services, resulting in a reduction in carrying amount of the goodwill of the respective CGUs to RMB91,263,000.

Notes to the Consolidated Financial Statements

17. OTHER INTANGIBLE ASSETS AND GOODWILL (Continued)

As at 31 December 2025, management reassessed the key assumptions for impairment testing of goodwill of the other CGUs. Based on the assessment, the Group considered that no additional impairment of goodwill was required.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	Greenland Property Services	A-Living Futurelife PM	Others
2025			
Compound annual growth rate of revenue during the projection period (%)	7.0%	1.5%	0.2%-6.1%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period (%)	18.3%-18.4%	6.5%-8.3%	7.6%-31.0%
Average trade receivables turnover days	170-188 days	75-80 days	8-398 days
Long term growth rate (%)	2.0%	2.0%	2.0%
Pre-tax discount rate (%)	19.3%	17.9%	14.7%-23.1%

2024

Compound annual growth rate of revenue during the projection period (%)	12.8%	3.3%	-17.5%-6.7%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period (%)	14.5%-14.6%	7.6%-8.5%	7.1%-31.7%
Average trade receivables turnover days	166-199 days	76 days	12-706 days
Long term growth rate (%)	2.0%	2.0%	2.0%
Pre-tax discount rate (%)	20.3%	19.3%	15.6%-21.6%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Compound annual growth rate of revenue	Based on past performance and management's expectations of market development.
EBITDA margin	Based on past performance and management's expectations for the future.
Average trade receivables turnover days	Based on past performance and management's expectations for the future.
Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Pre-tax discount rate	Reflect specific risks relating to the relevant CGUs.

Notes to the Consolidated Financial Statements

17. OTHER INTANGIBLE ASSETS AND GOODWILL (Continued)

Details of the headroom (the excess of the recoverable amounts over the carrying amounts) attributable to the Group for Greenland Property Services and A-Living Futurelife PM as at 31 December 2025 are set out as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
A-Living Futurelife PM	163,841	222,002
Greenland Property Services	26,417	22,639

Management has undertaken sensitivity analysis on the impairment tests of goodwill. The following table sets forth all possible changes to the key assumptions of the impairment tests and the changes taken in isolation in the VIU calculations for Greenland and A-Living Futurelife PM that would remove the remaining headroom respectively as at 31 December 2025 and 2024:

As at 31 December 2025	Possible changes to the key assumptions	
	A-Living Futurelife PM	Greenland Property Services
Compound annual growth rate of revenue	-2.50%	-0.86%
EBITDA margin	-0.67%	-0.65%
Average trade receivables turnover days	+14.51 days	+14.03 days
Long term growth rate	-1.85%	-0.70%
Pre-tax discount rate	+1.58%	+0.63%

As at 31 December 2024	Possible changes to the key assumptions	
	A-Living Futurelife PM	Greenland Property Services
Compound annual growth rate of revenue	-3.18%	-0.75%
EBITDA margin	-0.84%	-0.42%
Average trade receivables turnover days	+17.15 days	+7.94 days
Long term growth rate	-2.72%	-0.59%
Pre-tax discount rate	+2.20%	+0.51%

Notes to the Consolidated Financial Statements

18. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Financial assets		
Financial assets at amortised cost		
— Trade and other receivables excluding prepayments (Note 20)	7,930,790	6,937,711
— Cash and cash equivalents (Note 24)	3,044,670	3,318,719
— Restricted cash	218,994	137,912
	11,194,454	10,394,342
Financial assets at FVPL (Note 23)	720,300	1,993,658
Financial assets at FVOCI (Note 19)	—	12,418
	11,914,754	12,400,418
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings (Note 27)	352,341	549,084
Lease liabilities (Note 15(b))	49,291	45,049
Trade and other payables excluding non-financial liabilities (Note 28)	5,694,421	5,763,623
	6,096,053	6,357,756

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVOCI”)

(a) Classification of financial assets at FVOCI

Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

(b) Equity investments at FVOCI

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Non-current assets		
Unlisted securities	—	12,418

(c) Amounts recognised in profit or loss and other comprehensive income

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Losses recognised in other comprehensive income related to equity investments	3,325	—

As at 31 December 2024, financial assets at FVOCI were all denominated in RMB.

Notes to the Consolidated Financial Statements

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Trade receivables (Note (a))		
— Related parties (Note 34(d))	3,527,277	3,573,728
— Third parties	4,990,156	4,889,445
	8,517,433	8,463,173
Less: allowance for impairment of trade receivables	(4,137,612)	(4,065,494)
	4,379,821	4,397,679
Other receivables		
— Related parties (Note (b)) (Note 34(d))	969,620	1,016,599
— Third parties (Note (c))	4,274,387	2,797,018
	5,244,007	3,813,617
Less: allowance for impairment of other receivables	(1,693,038)	(1,273,585)
	3,550,969	2,540,032
Prepayments		
— Related parties (Note 34(d))	298,567	287,463
— Third parties	1,338,311	1,205,528
	1,636,878	1,492,991
Less: allowance for impairment of prepayment	(65,054)	(41,829)
	1,571,824	1,451,162
Subtotal	9,502,614	8,388,873
Less: non-current portion of prepayments	(989,897)	(965,940)
Current portion of trade and other receivables and prepayments	8,512,717	7,422,933

Notes to the Consolidated Financial Statements

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

- (a) Trade receivables mainly represented the receivables of outstanding property management service fee and the receivables of value-added service income and city sanitation and cleaning service income.

Property management services income, value-added service income and city sanitation and cleaning service income are received in accordance with the terms of the relevant services agreements, and due for payment upon the issuance of demand note.

As at 31 December 2025 and 2024, the aging analysis of the trade receivables based on recognition date were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Up to 1 year	3,030,934	3,423,298
1 to 2 years	1,229,335	1,927,848
2 to 3 years	1,587,388	2,416,675
Over 3 years	2,669,776	695,352
	8,517,433	8,463,173

Trade receivables of RMB102,932,000 (31 December 2024: RMB113,641,000) were pledged as collateral for a subsidiary's borrowings. The associated secured borrowings amounted to RMB57,993,000 (31 December 2024: RMB89,254,000) (Note 27).

- (b) Included in receivables due from related parties as at 31 December 2025, there were (i) deposit of gross amount of RMB700,000,000 (31 December 2024: gross amount of RMB700,000,000) paid to Agile Holdings for the parking space leasing and sales agency service which is secured by certain car-parking space of Agile Holdings. Management considered the expected credit losses amounting to RMB629,580,000 (31 December 2024: RMB629,580,000) were made against the gross amounts of other receivable due from related parties by considering scenarios weightings, current situations and forecasts of future conditions of Agile Holdings, macroeconomic data and other factors; (ii) interest-bearing advances to related parties of RMB106,274,000 (31 December 2024: RMB105,750,000), which are unsecured, interest-bearing at 0.5% (31 December 2024: 0.5%) per annum and are repayable within one year or on demand; and (iii) rental deposits which are repayable upon maturity of rental period according to the respective contracts.

Notes to the Consolidated Financial Statements

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

- (c) Other receivables due from third parties mainly consist of deposits, advances to third parties and payment on behalf of residents.

Included in other receivables as at 31 December 2025, there were advances to third parties of RMB1,223,450,000 (2024: RMB705,560,000), which are interest-bearing ranging at 2% to 4.5% (2024: 2% to 4.5%) per annum and are payable within one year.

Included in other receivables, there were advances to third parties of RMB195,500,000 (2024: RMB520,000,000) (originally advanced with 2% (2024: 2%) annual interest and repayable within one year) ("Original Advances"). During the year, the Group entered into tripartite agreements with these third parties to settle the Original Advances. Under the agreements, the third parties transferred the entire equity interests in their subsidiaries to the Group to settle the Original Advances in full. The net assets of these subsidiaries mainly included receivables of RMB725,000,000 (2024: RMB815,333,000), cash and cash equivalents of RMB10,000 (2024: RMB51,139,000), and payables of RMB529,510,000 (2024: RMB340,051,000), which were recognised in "Other Receivables", "Cash and cash equivalents" and "Other Payables" at the date of transfer respectively. As at 31 December 2025, a loss allowance of RMB611,619,000 (2024: RMB391,792,000) was recognised against the transferred receivables.

- (d) As at 31 December 2025 and 2024, trade and other receivables were denominated in RMB and the fair values of trade and other receivables approximated their carrying amounts.

21. CONTRACT ASSETS

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Contract assets relating to city sanitation and cleaning services contracts	3,009	8,408

Contract assets are initially recognised for revenue earned from the provision of city sanitation and cleaning services as the receipt of consideration is conditional on successful completion of services.

Upon completion of services, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2025 was mainly the result of the decrease in the ongoing provision of city sanitation and cleaning services as at 31 December 2025.

No allowance for expected credit losses was recognised in profit or loss on contract assets during the year ended 31 December 2025 and 2024.

The expected timing of recovery or settlement for contract assets as at 31 December 2025 and 2024 are as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Within one year	3,009	8,408

Notes to the Consolidated Financial Statements

22. INVENTORIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Consumables	34,449	34,216
Food and beverage	440	320
	34,889	34,536

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Current assets		
Wealth management products	300	300
Trust	715,000	1,988,358
Unlisted limited partnership	5,000	5,000
	720,300	1,993,658

(a) Amounts recognised in profit or loss

During the year, the following (losses)/gains were recognised in profit or loss:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Gains on redemption and disposal on financial assets at FVPL	2,624	22,209
Fair value losses on financial assets at FVPL recognised in other losses-net	(13,900)	(3,238)
	(11,276)	18,971

(b) Risk exposure and fair value measurements

For information about the methods and assumptions used in determining fair value refer to Note 3.3.

As at 31 December 2025 and 2024, financial assets at FVPL were all of denominated in RMB.

Notes to the Consolidated Financial Statements

24. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Cash at bank and in hand:		
— Denominated in RMB	3,041,992	3,310,932
— Denominated in HK\$	586	461
— Denominated in US\$	2,092	2,094
— Denominated in AUD\$	—	5,232
	3,044,670	3,318,719

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks. Bank deposits which are restricted to use are included in “restricted cash” of the consolidated balance sheet.

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

25. SHARE CAPITAL

	Number of shares As at 31 December		Share capital As at 31 December	
	2025	2024	2025 RMB'000	2024 RMB'000
Issued and fully paid	1,420,000,800	1,420,000,800	1,420,001	1,420,001

Notes to the Consolidated Financial Statements

26. OTHER RESERVES

	Share premium RMB'000	Statutory reserve RMB'000 (Note (i))	Others RMB'000	Treasury shares	Total RMB'000
As at 1 January 2024 (Restated)	5,251,083	398,168	180,743	-	5,829,994
Other transaction with NCI	-	-	(6,878)	-	(6,878)
As at 31 December 2024 and 1 January 2025 (Restated)	5,251,083	398,168	173,865	-	5,823,116
Other comprehensive expense	-	-	(1,995)	-	(1,995)
Transfer of loss on disposal of financial assets at FVOCI to retained earnings	-	-	1,995	-	1,995
Purchase of own shares (Note (ii))	-	-	-	(3,904)	(3,904)
Business combination under common control	-	-	(60,598)	-	(60,598)
Other transaction with NCI	-	-	(1,377)	-	(1,377)
As at 31 December 2025	5,251,083	398,168	111,890	(3,904)	5,757,237

Note:

- (i) In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.
- (ii) During the year ended 31 December 2025, the Company repurchased 1,460,250 of its own shares from the market for an aggregate consideration of RMB3,904,000 (equivalent to approximately HK\$4,214,000). Those shares have not been cancelled, therefore there is no alternation to the numbers of ordinary shares. The shares were repurchased at prices ranging from HK\$2.79 to HK\$2.95 per share, with an average price of HK\$2.89 per share. The total amount paid to acquire the shares has been deducted from total equity.

Notes to the Consolidated Financial Statements

27. BORROWINGS

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Non-current liabilities:		
— secured	29,878	210,985
— unsecured	30,452	89,704
	60,330	300,689
Current liabilities:		
— secured	194,008	132,681
— unsecured	98,003	115,714
	292,011	248,395
Total bank and other borrowings	352,341	549,084

The Group's borrowings as at 31 December 2025 of RMB223,886,000 (2024: RMB343,666,000) were mainly secured by certain self-used PPE of the Group with net book amount of RMB318,774,000 (2024 (restated): RMB384,372,000) and pledged by certain investment properties with market value of RMB21,210,000 (2024: RMB27,524,000), and trade receivables of RMB102,932,000 (2024: RMB113,641,000).

As at 31 December 2025, the Group's bank and other borrowings were repayable as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Within 1 year	292,011	248,395
Over 1 year and within 2 years	47,280	254,366
Over 2 year and within 5 years	13,050	46,323
	352,341	549,084

The weighted average effective interest rate for the year ended 31 December 2025 was 3.90% per annum (2024: 4.10% per annum).

The carrying amounts of the bank and other borrowings are denominated in RMB.

Notes to the Consolidated Financial Statements

28. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Trade payables		
— Related parties (Note 34 (d))	132,866	163,806
— Third parties	2,910,999	2,835,871
	3,043,865	2,999,677
Other payables		
— Related parties (Note 34 (d))	190,811	395,785
— Third parties	2,322,233	2,287,999
	2,513,044	2,683,784
Dividends payables	137,512	80,162
Accrued payroll	832,060	860,352
Other taxes payables	29,351	77,125
	6,555,832	6,701,100
Less: non-current portion of other payables	(4,353)	(6,989)
Current portion of trade and other payables	6,551,479	6,694,111

As at 31 December 2025 and 2024, the aging analysis of the trade payables (including amounts due to related parties in trade nature) based on invoice date were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Up to 1 year	2,400,256	2,419,914
1 to 2 years	390,072	364,525
2 to 3 years	157,817	161,723
Over 3 years	95,720	53,515
	3,043,865	2,999,677

As at 31 December 2025 and 2024, trade and other payables were all denominated in RMB and the fair values of trade and other payables approximated their carrying amounts.

Notes to the Consolidated Financial Statements

29. DEFERRED INCOME TAX

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Deferred income tax assets:		
– Deferred tax assets to be recovered after more than 12 months	1,083,013	937,923
– Deferred tax assets to be recovered within 12 months	40,240	60,725
– Set-off of deferred tax liabilities pursuant to set-off provisions	(949)	(21,580)
	1,122,304	977,068
Deferred income tax liabilities:		
– Deferred tax liabilities to be recovered after more than 12 months	(193,154)	(262,500)
– Deferred tax liabilities to be recovered within 12 months	(5,978)	(5,888)
– Set-off of deferred tax liabilities pursuant to set-off provisions	949	21,580
	(198,183)	(246,808)
	924,121	730,260

The movement in deferred income tax assets and liabilities during the years ended 31 December 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets – allowance on doubtful debts RMB'000	Deferred tax assets – deductible tax losses RMB'000	Deferred tax assets – accrued expenses RMB'000	Deferred tax assets – lease liabilities RMB'000	Deferred tax assets – financial assets at FVOCI RMB'000	Deferred tax liabilities – financial assets at FVPL RMB'000	Deferred tax liabilities – excess of carrying amount of other intangible assets over the tax bases RMB'000	Deferred tax liabilities – right-of-use assets RMB'000	Deferred tax liabilities – differences on recognition of depreciation RMB'000	Total RMB'000
As at 1 January 2024	316,138	16,776	57,401	19,446	1,328	(8,959)	(303,843)	(20,628)	(5,629)	72,030
Credited/(charged) to the consolidated income statement (note 13)	653,871	8,423	10,207	(8,184)	-	10	46,414	7,093	123	717,957
Acquisition of subsidiaries	37	-	-	-	-	-	-	-	-	37
Disposal of subsidiaries	(76,795)	-	-	-	-	-	17,031	-	-	(59,764)
As at 31 December 2024 and 1 January 2025	893,251	25,199	67,608	11,262	1,328	(8,949)	(240,398)	(13,535)	(5,506)	730,260
Credited/(charged) to the consolidated income statement (note 13)	109,950	9,114	6,175	1,061	-	229	79,706	(10,705)	20	195,550
Disposal of subsidiaries	(1,695)	-	-	-	-	-	6	-	-	(1,689)
As at 31 December 2025	1,001,506	34,313	73,783	12,323	1,328	(8,720)	(160,686)	(24,240)	(5,486)	924,121

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of RMB10,117,000 (2024: RMB7,137,000) in respect of tax losses amounting to RMB40,469,000 (2024: RMB28,549,000) as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Notes to the Consolidated Financial Statements

30. DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Proposed final dividend of RMB0.06 (2024: RMB0.03) per share	85,112	42,600
Interim dividend declared of RMB0.062 (2024: RMB0.03) per share	87,950	42,600
	173,062	85,200

A final dividend of RMB0.06 per share for the year ended 31 December 2025, totalling RMB85,112,000 have been proposed by the Board of the Company and are subject to the approval of the forthcoming annual general meeting to be held on 28 May 2026. These dividends will be distributed out of the Company's retained earnings. These consolidated financial statements have not reflected the proposed dividend payable.

The interim dividend RMB0.062 per share, totalling RMB87,950,000, has been approved at the extraordinary general meeting on 8 October 2025 and paid in cash in January 2026.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year of RMB0.03 (2024: RMB0.06) per share	42,600	85,200
Interim dividend in respect of the previous financial year, approved and paid during the year of RMB0.03 (2024: RMB0.025) per share	42,600	35,500
	85,200	120,700

Notes to the Consolidated Financial Statements

31. CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Profit/(Loss) before income tax	272,579	(3,536,029)
Adjustments for:		
— Depreciation of PPE (Note 15(a))	156,294	170,204
— Amortisation of intangible assets (Note 17)	178,440	189,946
— Amortisation of right-of-use assets (Note 15(b))	30,233	33,279
— Impairment losses on financial assets	537,774	4,329,333
— Impairment losses on goodwill	—	246,206
— Impairment losses on prepayment	23,225	37,113
— Losses on derecognition on financial assets at amortised cost (Note 10)	165,764	—
— Loss on disposal of PPE and investment properties (Note 10)	31,588	6,900
— Share of post-tax profits of joint ventures and associates (Note 12(b))	(45,938)	(17,682)
— Interest income from loans to related parties (Note 9)	(524)	(450)
— Interest income from deposits and loans to third parties (Note 9)	(44,293)	(60,509)
— Losses from disposal of investments accounted for using the equity method (Note 10)	34,885	127,602
— Gains on redemption and disposal of financial assets at FVPL (Note 10)	(2,624)	(22,209)
— Fair value losses on financial assets at FVPL (Note 10)	13,900	3,238
— Fair value losses on investment properties (Note 10)	20,348	10,365
— Losses on disposal of subsidiaries (Note 10)	3,470	103,986
— Finance costs (Note 11)	32,206	46,873
— Foreign exchange losses	—	1,354
Changes in working capital:		
— Restricted cash	(81,082)	30,000
— Inventories	(358)	4,912
— Trade and other receivables	(943,739)	(1,075,981)
— Trade and other payables	635,893	223,507
— Contract liabilities	49,610	51,385
	1,067,651	903,343

Notes to the Consolidated Financial Statements

31. CASH FLOW INFORMATION (Continued)

(b) A reconciliation of liabilities arising from financing activities is as follows:

	Borrowings RMB'000 (Note 27)	Lease liabilities RMB'000 (Note 15(b))	Dividends payable RMB'000 (Note 28)	Other payables - third parties (excluding trade nature) RMB'000	Total RMB'000
As at 1 January 2024 (Restated)	396,665	77,784	118,664	31,680	624,793
Cash flows					
— Inflow from financing activities	492,091	-	-	905	492,996
— Outflow from financing activities	(319,972)	(39,497)	(283,514)	(834)	(643,817)
Non-cash changes					
— Additions of lease liabilities	-	14,862	-	-	14,862
— Finance costs recognised (Note 11)	-	2,977	-	-	2,977
— Accrued dividends	-	-	245,012	-	245,012
— Acquisition of subsidiaries	300	361	-	-	661
— Disposal of subsidiaries	(20,000)	(9,123)	-	-	(29,123)
— Disposal of ROU	-	(2,315)	-	-	(2,315)
As at 31 December 2024 and 1 January 2025 (Restated)	549,084	45,049	80,162	31,751	706,046
Cash flows					
— Inflow from financing activities	154,638	-	-	-	154,638
— Outflow from financing activities	(351,381)	(35,740)	(160,843)	(11,302)	(559,266)
Non-cash changes					
— Additions of lease liabilities	-	41,650	-	-	41,650
— Finance costs recognised (Note 11)	-	3,150	-	-	3,150
— Accrued dividends	-	-	218,193	-	218,193
— Disposal of ROU	-	(4,818)	-	-	(4,818)
As at 31 December 2025	352,341	49,291	137,512	20,449	559,593

Notes to the Consolidated Financial Statements

31. CASH FLOW INFORMATION (Continued)

(c) Non cash transactions

- i. The Group entered into certain lease contracts in which additions of ROU and lease liabilities amounting to RMB41,650,000 (2024: RMB14,862,000) was recognised during the year ended 31 December 2025.
- ii. Trade and other receivables of RMB67,119,000 (2024: RMB81,471,000) was settled by transfer of certain investment properties.
- iii. The Group entered into a tripartite agreement with third parties to settle advances to third parties of RMB195,500,000 (2024: RMB520,000,000) which originally advanced with 2% annual interest and repayable within one year. Details of the non-cash transaction are disclosed in note 20(c).

32. COMMITMENTS

(a) Capital commitments

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Contracted by not provided for		
Acquisitions of business from Alige Holdings (note)	25,367	-
Acquisitions of additional equity interests from NCI	32,958	71,415

Note:

On 29 September 2025, the Company announced that a wholly-owned subsidiary of the Company entered into the agreement with Blue Heaven Group Limited ("Blue Heaven"), a wholly-owned subsidiary of Agile Holdings, pursuant to which the subsidiary conditionally agreed to purchase, and Blue Heaven conditionally agreed to sell, 100% equity interest of Tengchong Agile Hotel Company Limited* (騰冲雅居樂酒店有限公司). The consideration will be approximately RMB53,068,000. As at 31 December 2025, the agreement has not yet been completed.

* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(b) Operating lease commitments — as lessee

The Group leases offices and staff dormitories under non-cancellable operating lease agreements. The lease terms are between three month and 12 years (2024: one month and 15 years).

The Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 15(b) for further information.

Notes to the Consolidated Financial Statements

33. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2025, the Group disposed of certain subsidiaries (2024: certain subsidiaries) to independent third parties at a total consideration of RMB13,790,000 (2024: RMB29,406,000). Subsequent to the disposals, these entities are no longer subsidiaries of the Group. Details of the disposal transactions are as follows:

	Note	As at the respective dates of the disposals RMB'000
Disposal considerations		
— Cash received		10,718
— Deferred sales proceeds		3,072
		13,790
Less: total net assets of the subsidiaries		(17,260)
Losses on disposal of the subsidiaries	10	(3,470)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	As at the respective dates of the disposals RMB'000
Cash proceeds from disposal, net of cash disposed of cash consideration received	10,718
Less: cash and cash equivalents in the subsidiaries	(3,055)
Net cash inflow on disposals	7,663

Notes to the Consolidated Financial Statements

33. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal from subsidiaries to associates for the year ended 31 December 2025

During the year, certain subsidiaries have become associates of the Group, and were disposed of at cash considerations of RMB151,000 in aggregate.

The identifiable assets and liabilities of the subsidiaries as at the date of disposal were as follow:

	As at the respective dates of the disposals RMB'000
Non-current assets	161
Current assets	3,037
Current liabilities	(2,824)
Non-current liabilities	–
Net assets disposed of	374
Non-controlling interests	(112)
Goodwill (Note 17)	–
Transfer to investments accounted for using the equity method	(15)
Loss on disposal from subsidiaries to associates	(96)
Cash Consideration	151
Cash consideration received	151
Less: cash and cash equivalents in the subsidiaries disposed	(388)
Net cash inflow on disposals	(237)

Notes to the Consolidated Financial Statements

33. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of subsidiaries for the year ended 31 December 2025

During the year ended 31 December 2025, certain subsidiaries of the Group were disposed of at cash considerations of RMB13,639,000 in aggregate.

The identifiable assets and liabilities of the subsidiaries as at the date of disposal were as follow:

	As at the respective dates of the disposals RMB'000
Non-current assets	1,974
Current assets	103,383
Current liabilities	(87,830)
Non-current liabilities	(6)
Net liabilities disposed of	17,521
Non-controlling interests	(8,928)
Goodwill (Note 17)	8,420
Loss on disposal of subsidiaries	(3,374)
Cash consideration	13,639
Cash consideration received	10,567
Less: cash and cash equivalents in the subsidiaries disposed	(2,667)
Net cash inflow on disposals	7,900

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name	Relationship
Agile Holdings and its subsidiaries 雅居樂集團控股有限公司及其附屬公司	Ultimate holding company and its subsidiaries
Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	Founding shareholders of Agile Holdings
Zhongshan A-Living 中山雅生活企業管理服務有限公司	Controlling shareholder of the Company
Deluxe Star International Limited 旺紀國際有限公司	Intermediate holding company
CMIG Futurelife Holding Group Co., Ltd* ("CMIG") and its subsidiaries 中民未來控股集團有限公司及其附屬公司	Non-controlling shareholder with significant influence and its subsidiaries
Zhongshan Agile Changjiang Hotel Co., Ltd* 中山雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Zhongshan Changjiang Golf Course* 中山長江高爾夫球場	Controlled by the Founding Shareholders
Chengdu Xueling Enterprise Management Co., Ltd.* 成都雪瓚企業管理有限公司	Associate of Agile Holdings
Jinzhong Jintianheyi Property Development Co., Ltd.* 晉中錦添合意房地產開發有限公司	Associate of Agile Holdings
Sichuan Yacan Real Estate Development Co., Ltd.* 四川雅燦房地產開發有限公司	Associate of Agile Holdings
Foshan Sanshui Qingmei Real Estate Development Co., Ltd.* 佛山市三水區擎美房地產有限公司	Associate of Agile Holdings
Nanjing Haiyue Property Management Co., Ltd* 南京海玥物業管理有限公司	Associate of the Group
Shanghai Zunrong Security Service Co., Ltd. 上海尊榮保安服務有限公司	Associate of the Group

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Shenzhen Huilongcheng Property Management Co., Ltd* 深圳市匯龍城物業管理有限公司	Associate of the Group
Square Asset Management Limited.*	Associate of the Group
Tianjin Zhuosen Business Management Co., Ltd.* ("Tianjin Zhuosen") 天津卓森商業管理有限公司	Associate of the Group
Huizhou Huiyang Agile Real Estate Development Co., Ltd* 惠州市惠陽雅居樂房地產開發有限公司	Joint venture of Agile Holdings
Beihai Yaguang Property Development Co., Ltd.* 北海雅廣房地產開發有限公司	Joint venture of Agile Holdings
Guangxi Fuya Investments Co., Ltd.* 廣西富雅投資有限公司	Joint venture of Agile Holdings
Henan Yafu Property Co., Ltd.* 河南雅福置業有限公司	Joint venture of Agile Holdings
Huizhou Bailuhu Tour Enterprise Development Co., Ltd.* 惠州白鷺湖旅遊實業開發有限公司	Joint venture of Agile Holdings
Zhuhai Yahan Real Estate Development Co., Ltd.* 珠海市雅瀚房地產開發有限公司	Joint venture of Agile Holdings
Zhuhai Yahao Real Estate Development Co., Ltd.* 珠海市雅灝房地產開發有限公司	Joint venture of Agile Holdings
Kaifeng Fenghui Property Co., Ltd.* 開封豐輝置業有限公司	Joint venture of Agile Holdings
Guigang Shenghe Property Service Co., Ltd.* 貴港市盛和物業服務有限公司	Joint venture of the Group
Hangzhou Songya Property Services Co., Ltd.* 杭州宋雅物業服務有限公司	Joint venture of the Group

The above table lists the principal related parties of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group.

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Provision of services		
Entities controlled by Agile Holdings	66,116	267,869
Joint ventures and associates of Agile Holdings	22,552	52,874
Joint ventures and associates of the Group	3,657	4,029
Entities controlled by the Founding Shareholders	412	427
	92,737	325,199
Purchase of services		
An associate of the Group	159,822	167,831
Controlled by Agile Holdings	2,018	8,445
Joint ventures and associates of Agile Holdings	3	2,121
Entities controlled by the Founding Shareholders	3	-
	161,846	178,397
Interest income received on loans due from related parties		
Associates of the Group	524	450

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Rental expenses paid relating to short-term and low-value leases		
Entities controlled by Agile Holdings	1,376	1,376
Entities controlled by the Founding Shareholders	2,902	3,530
	4,278	4,906
	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest expense for lease liabilities		
Entities controlled by Agile Holdings	33	129
A Founding Shareholder of Agile Holdings	-	41
	33	170
	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Payment of lease liabilities		
Entities controlled by Agile Holdings	33	80
A Founding Shareholder of Agile Holdings	-	330
	33	410

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

Compensations for key management other than those for directors and supervisors as disclosed in Note 36 are set out below.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and other short-term employee benefits	1,231	3,979
Contribution to pension scheme	84	121
	1,316	4,100

(d) Balances with related parties

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Due from related parties		
<i>Trade receivables</i>		
Entities controlled by Agile Holdings	3,109,729	3,109,019
Joint ventures and associates of Agile Holdings	404,123	452,531
Joint ventures and associates of the Group	13,421	12,178
Entities controlled by the Founding Shareholders	4	–
	3,527,277	3,573,728
<i>Other receivables</i>		
Joint ventures and associates of the Group	113,239	120,207
Entities controlled by Agile Holdings	826,761	871,370
Joint ventures and associates of Agile Holdings	26,928	22,085
Entities controlled by the Founding Shareholders	2,692	2,937
	969,620	1,016,599
<i>Prepayments</i>		
Associates of the Group	2,034	2,598
Entities controlled by Agile Holdings (Note (i))	296,151	284,408
Associates of Agile Holdings	382	457
	298,567	287,463
<i>Contract assets</i>		
Joint ventures and associates of Agile Holdings	–	90
	4,795,464	4,877,880

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(d) Balances with related parties (Continued)

	As at 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Due to related parties		
<i>Trade payables</i>		
Associates of the Group	98,312	113,000
Entities controlled by Agile Holdings	30,931	45,645
Joint ventures and associates of Agile Holdings	46	3,469
Entities controlled by the Founding Shareholder	3,577	1,692
	132,866	163,806
<i>Other payables (Note(ii))</i>		
Entities controlled by Agile Holdings	182,881	387,933
Associates of the Group	7,143	6,958
Joint ventures of Agile Holdings	771	885
Entities controlled the Founding Shareholder	16	9
	190,811	395,785
<i>Contract liabilities</i>		
Entities controlled by Agile Holdings	2,345	5,080
Joint ventures and associates of Agile Holdings	3,006	2,896
Joint ventures and associates of the Group	6	6
	5,357	7,982
	329,034	567,573

- (i) The balances mainly represent underlying properties developed by Agile Holdings which are expected to be used for settlement of payables due from the Group to third-party suppliers, sales or letting out the properties to third-parties.
- (ii) Other payables due to related parties mainly represented the receipts of communal area income on behalf of the properties' owners, which are interest-free and repayable on demand.

Notes to the Consolidated Financial Statements

34. RELATED PARTY TRANSACTIONS (Continued)

(e) Loans and interest receivables due from related parties

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
As at beginning of the year	105,750	79,544
Addition	-	51,500
Repayments from related parties	-	(25,240)
Non-cash changes	-	(504)
Interest income (Note 9)	524	450
As at end of the year	106,274	105,750

Loans and interest receivables due from related parties bear an interest rate at 0.5% (2024: 0.5%) per annum and are repayable in one year or on demand.

35. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Assets		
Non-current assets		
Property, plant and equipment	50,748	53,267
Right-of-use assets	3,697	4,726
Other intangible assets	90	176
Investments accounted for using the equity method	293,308	286,327
Deferred income tax assets	372,301	365,246
Investment properties	2,464	-
Investments in subsidiaries	3,751,198	3,786,926
Prepayments	17,976	73,370
	4,491,782	4,570,038
Current assets		
Trade and other receivables	9,987,297	8,881,054
Inventories	7,510	9,121
Restricted cash	105,570	22,433
Cash and cash equivalents	149,961	177,603
	10,250,338	9,090,211
Total assets	14,742,120	13,660,249

Notes to the Consolidated Financial Statements

35. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Equity		
Equity attributable to shareholders of the Company		
Share capital	1,420,001	1,420,001
Other reserves (Note (a))	6,139,289	6,143,193
Retained earnings	1,034,638	67,582
Total equity	8,593,928	7,630,776
Liabilities		
Non-current liabilities		
Lease liabilities	1,132	1,633
Contract liabilities	104,171	80,494
Deferred income tax liabilities	-	3,477
Other payables	4,022	4,867
	109,325	90,471
Current liabilities		
Contract liabilities	538,411	586,811
Trade and other payables	5,479,006	5,322,224
Current income tax liabilities	18,771	26,732
Lease liabilities	2,679	3,235
	6,038,867	5,939,002
Total liabilities	6,148,192	6,029,473
Total equity and liabilities	14,742,120	13,660,249

The balance sheet of the Company was approved by the Board of Directors on 31 March 2026 and was signed on its behalf:

Chan Cheuk Hung
Director

Wang Haiyang
Director

Notes to the Consolidated Financial Statements

35. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Reserve movement of the Company

	Share premium RMB'000	Statutory reserve RMB'000	Others RMB'000	Treasury shares RMB'000	Total RMB'000
As at 1 January, 31 December 2024 and 1 January 2025	5,728,897	389,797	24,499	–	6,143,193
Purchase of own shares (Note 26(ii))	–	–	–	(3,904)	(3,904)
As at 31 December 2025	5,728,897	389,797	24,499	(3,904)	6,139,289

36. DIRECTORS' CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

During the year ended 31 December 2025, the directors and supervisors are listed in the following:

Executive Directors

Mr. Chan Cheuk Hung (Co-chairman)
 Mr. Wang Haiyang (Co-chairman) (*appointed on 28 May 2025*)
 Mr. Huang Fengchao (Co-chairman) (*resigned on 28 May 2025*)
 Mr. Li Dalong (President (General Manager) and Chief Executive Officer)
 Mr. Chen Siyang (Vice President)
 Ms. Zhao Yu (Vice President) (*appointed on 8 October 2025*)

Non-executive Director

Ms. Yue Yuan (*resigned on 28 May 2025*)

Independent Non-executive Directors

Mr. Weng Guoqiang
 Mr. Wang Gonghu
 Mr. Li Jiahe

Supervisors

Mr. Liu Jianrong
 Ms. Huang Zhixia
 Mr. Wang Shao
 Mr. Wang Weiqiong
 Mr. Zheng Jiancheng

Notes to the Consolidated Financial Statements

36. DIRECTORS' CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (Continued)

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Fees	840	840
Other emoluments:		
— Salaries	3,080	4,633
— Bonus	1,351	–
— Housing allowance and contribution to a retirement benefit scheme	344	238
	5,615	5,711

The directors and supervisors received emoluments from the Group for the year ended 31 December 2025 as follows:

Name	Fees RMB'000	Salaries RMB'000	Share-based payments RMB'000	Bonus RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors						
Mr. Li Dalong	–	1,161	–	500	95	1,756
Mr. Chen Siyang	–	672	–	300	44	1,016
Ms. Zhao Yu	–	264	–	300	80	644
Independent non-executive directors						
Mr. Weng Guoqiang	240	–	–	–	–	240
Mr. Li Jiahe	240	–	–	–	–	240
Mr. Wang Gonghu	240	–	–	–	–	240
Supervisors						
Mr. Liu Jianrong	–	327	–	219	63	609
Ms. Huang Zhixia	–	263	–	32	29	324
Mr. Wang Shao	60	–	–	–	–	60
Mr. Wang Weiqiong	–	393	–	–	33	426
Mr. Zheng Jiancheng	60	–	–	–	–	60
	840	3,080	–	1,351	344	5,615

Notes to the Consolidated Financial Statements

36. DIRECTORS' CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (Continued)

The directors and supervisors received emoluments from the Group for the year ended 31 December 2024 as follows:

Name	Fees RMB'000	Salaries RMB'000	Share-based payments RMB'000	Bonus RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors						
Mr. Li Dalong	-	2,053	-	-	82	2,135
Mr. Chen Siyang	-	1,372	-	-	42	1,414
Independent non-executive directors						
Mr. Weng Guoqiang	240	-	-	-	-	240
Mr. Li Jiahe	240	-	-	-	-	240
Mr. Wang Gonghu	240	-	-	-	-	240
Supervisors						
Mr. Liu Jianrong	-	570	-	-	65	635
Ms. Huang Zhixia	-	305	-	-	31	336
Mr. Wang Shao	60	-	-	-	-	60
Mr. Wang Weiqiong	-	333	-	-	18	351
Mr. Zheng Jiancheng	60	-	-	-	-	60
	840	4,633	-	-	238	5,711

Notes:

- (i) The executive directors, Mr. Chan Cheuk Hung and Mr. Huang Fengchao received emoluments totalling RMB797,000 during the year ended 31 December 2025 (2024: RMB3,245,000), which were borne by related parties of the Group. Mr. Chan Cheuk Hung was also a director of Agile Holdings during the year ended 31 December 2025, and his emoluments were not allocated to the Group as the management of the Company considered there is no reasonable basis for allocation. Mr. Huang Fengchao resigned as an executive director of the Group with effect from 28 May 2025.

The executive director Mr. Wang Haiyang received emoluments totalling RMB334,000 during the year ended 31 December 2025, which were borne by related parties of the Group. Mr. Wang Haiyang was also a senior management of Agile Holdings during the year ended 31 December 2025, and his emoluments were not allocated to the Group as the management of the Company considered there was no reasonable basis for allocation. Mr. Wang Haiyang has served as an executive director of the Group since 28 May 2025.

The non-executive director Ms. Yue Yuan received emoluments totalling RMB240,000 (2024: RMB560,000) during the year ended 31 December 2025, which were borne by related parties of the Group and Ms. Yue Yuan resigned with effect from 28 May 2025. Ms. Yue Yuan was also director of Agile Holdings during the year ended 31 December 2025, and her emolument was not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.

Except for those mentioned above, no other emoluments paid or receivable in respect of directors' and supervisors' other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

36. DIRECTORS' CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (Continued)

Notes: (Continued)

- (ii) During the year ended 31 December 2025 and 2024, there were no additional retirement benefit received by the directors and supervisors except for the contribution to a retirement benefit scheme as disclosed above.

During the year ended 31 December 2025 and 2024, there were no termination benefits received by the directors and supervisors.

During the year ended 31 December 2025 and 2024, no consideration was paid for making available the services of the directors or supervisors of the Company.

During the year ended 31 December 2025 and 2024, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors and supervisors of the Company.

- (iii) Mr. Chan Cheuk Hung is one of the Founding Shareholders and non-executive director of Agile Holdings, the Company's ultimate holding company. Mr. Chan Cheuk Hung, is one of the beneficiaries of a family trust, which indirectly held 45.32% equity interests in Agile Holdings as at 31 December 2025 (at 31 December 2024: 45.32%). The Group's transactions with Agile Holdings and related entities are set out in Note 34.

Tianjin A-Living Business Management Limited Partnership* 天津雅生活企業管理合夥企業(有限合夥) (formerly known as Gongqingcheng A-Living Investment Management Limited Partnership* 共青城雅生活投資管理合夥企業(有限合夥)) ("Tianjin A-Living") was established under the laws of the PRC. On 26 July 2017, the Company and Tianjin A-Living entered into a capital increase agreement, pursuant to which Tianjin A-Living shall subscribe for 8,000,000 shares of the Company at a cash consideration of RMB200,000,000. As at 31 December 2025, Gongqingcheng Yagao Investment Management Co., Ltd.* 共青城雅高投資管理有限公司 was Tianjin A-Living's general partner and Mr. Huang Fengchao (黃奉潮), Mr. Li Dalong (李大龍) and Mr. Feng Xin (馮欣) were its limited partners.

Except for those mentioned above, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had interests, whether directly or indirectly, subsisted at the year or at any time during the year.

- * The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

Five-Year Financial Summary

CONSOLIDATED INCOME STATEMENT

	2025 RMB'000	Year ended 31 December			
		2024 RMB'000 (Restated)	2023 RMB'000 (Restated)	2022 RMB'000 (Restated)	2021 RMB'000 (Restated)
Revenue	12,892,450	13,942,421	15,504,563	15,442,396	14,153,060
Cost of sales	(11,215,249)	(11,857,855)	(12,862,730)	(12,057,916)	(10,262,881)
Gross profit	1,677,201	2,084,566	2,641,833	3,384,480	3,890,179
Selling and marketing expenses	(38,781)	(43,265)	(103,074)	(95,993)	(146,169)
Administrative expenses	(647,557)	(803,826)	(847,301)	(860,453)	(789,115)
Impairment losses on financial assets, goodwill and prepayment	(560,999)	(4,612,652)	(967,426)	(465,623)	(160,181)
Other income	109,468	106,539	192,350	232,596	178,704
Other (losses)/gains — net	(280,485)	(238,200)	90,879	208,634	101,936
Operating profit/(loss)	258,847	(3,506,838)	1,007,261	2,403,641	3,075,354
Finance costs	(32,206)	(46,873)	(39,996)	(33,622)	(34,302)
Share of post-tax profits of joint ventures and associates	45,938	17,682	44,937	56,393	31,534
Profit/(Loss) before income tax	272,579	(3,536,029)	1,012,202	2,426,412	3,072,586
Income tax (expenses)/credit	(55,990)	377,700	(349,811)	(517,001)	(510,005)
Profit/(Loss) for the year	216,589	(3,158,329)	662,391	1,909,411	2,562,581
Profit attributable to:					
Shareholders of the Company	104,974	(3,297,828)	427,443	1,815,408	2,308,512
Non-controlling interests	111,615	139,499	234,948	94,003	254,069
	216,589	(3,158,329)	662,391	1,909,411	2,562,581
Earnings/(Loss) per share (expressed in RMB per share)					
Basic and diluted earnings/(loss) per share	0.07	(2.32)	0.30	1.28	1.67

Five-Year Financial Summary

CONSOLIDATED ASSETS, EQUITY AND LIABILITIES

	2025 RMB'000	As at 31 December			
		2024 RMB'000 (Restated)	2023 RMB'000 (Restated)	2022 RMB'000 (Restated)	2021 RMB'000 (Restated)
Assets					
Non-current assets	7,698,807	7,838,100	8,037,924	7,896,038	7,271,779
Current assets	12,534,579	12,916,166	16,542,701	15,384,075	13,536,102
Total assets	20,233,386	20,754,266	24,580,625	23,280,113	20,807,881
Equity and Liabilities					
Total equity	11,168,026	11,232,195	14,562,381	14,301,772	13,113,936
Liabilities					
Non-current liabilities	422,080	663,919	624,433	470,456	652,139
Current liabilities	8,643,280	8,858,152	9,393,811	8,507,885	7,041,806
Total liabilities	9,065,360	9,522,071	10,018,244	8,978,341	7,693,945
Total equity and liabilities	20,233,386	20,754,266	24,580,625	23,280,113	20,807,881