

保利物業服務股份有限公司

POLY PROPERTY SERVICES CO., LTD.

[A joint stock company incorporated in the People's Republic of China with limited liability]
Stock Code: 06049.HK

保利[®]物業

2025 ANNUAL REPORT



向新而立
Rise for the New

—— CORPORATE VISION ——

**BECOMING THE PRIME PROVIDER
OF THE COMPREHENSIVE PROPERTY ECOSYSTEM**

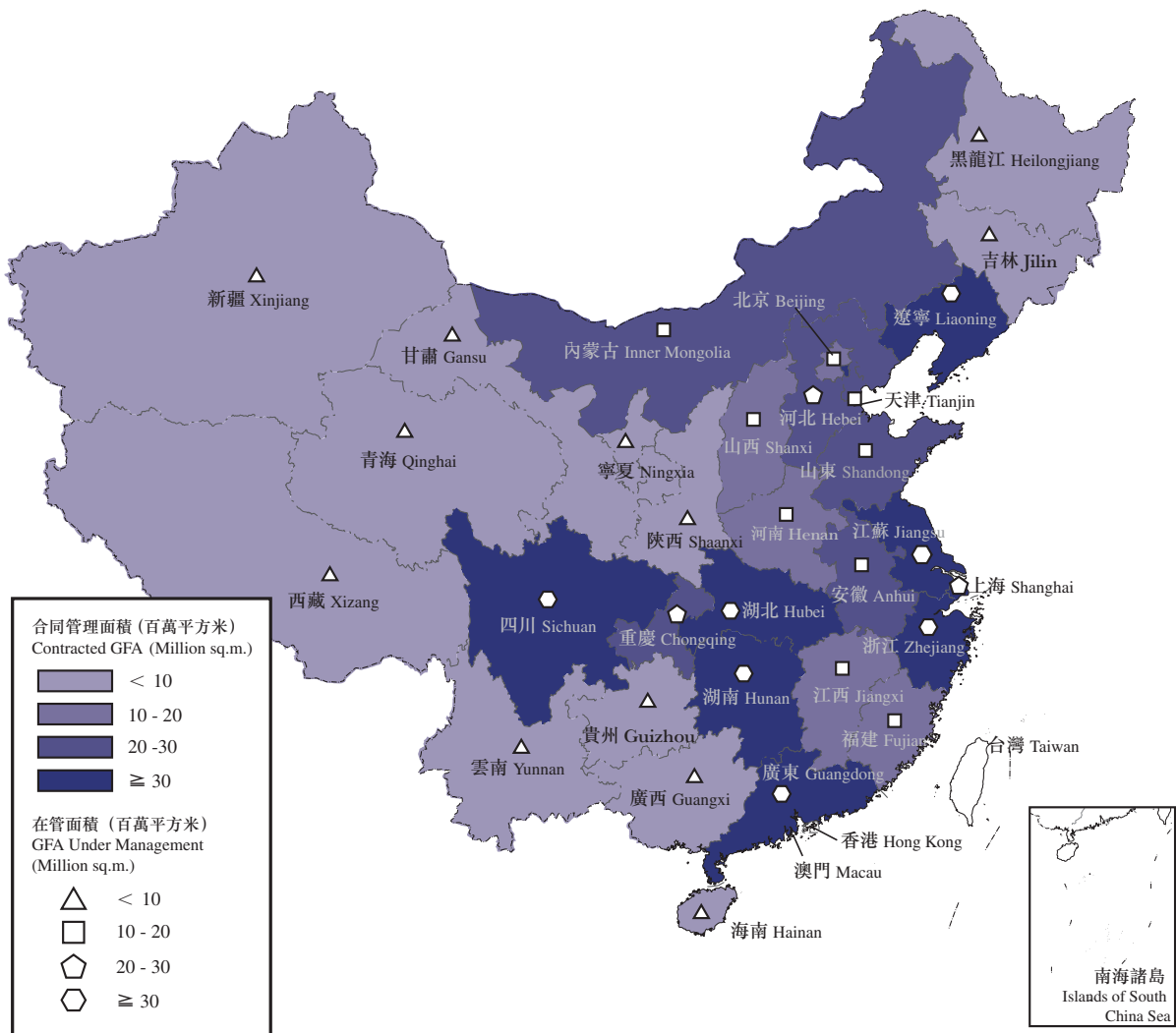
—— CORPORATE MISSION ——

TO SERVE THE PEOPLE BY MANAGING AND ACHIEVING

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Poly Property Services Co., Ltd. (the “**Company**” or “**Poly Property**”, and together with its subsidiaries, the “**Group**” or “**we**”) is a leading comprehensive property management service provider in China with extensive property management scale and central state-owned background. According to the ranking of 2025 Top100 Property Management Companies in China by the China Index Academy, the Group ranked second among the Top100 Property Management Companies in China and first among state-owned property management service companies. The Group has established an industry benchmark with outstanding service quality, with our brand valued at approximately RMB29.5 billion in 2025. The Group’s three main business lines, namely, property management services, value-added services to non-property owners, and community value-added services, form a comprehensive service offering to its customers along the value chain of property management. The Group continuously pushes forward the “Comprehensive Property” strategic layout, and its management business portfolio covers residential communities, commercial and office buildings and public and other properties. As at 31 December 2025, the Group’s contracted gross floor area (“**GFA**”) and GFA under management were approximately 1,012.1 million square meters (“**sq.m.**”) and 855.0 million sq.m. respectively, covering 194 cities across 31 provinces, municipalities and autonomous regions in China.





CORPORATE INFORMATION

(As at 31 March 2026, date of this annual report (the “date of this report”))

BOARD OF DIRECTORS

Executive Directors

Ms. Wu Lanyu (*Chairman*)

Mr. Wang Yingnan (*General Manager*) (appointed on 13 March 2026)

Mr. Yao Yucheng (*General Manager*) (appointed on 6 June 2025 and resigned on 27 January 2026)

Non-executive Directors

Mr. Liu Ping

Mr. Liu Zhihui

Independent Non-executive Directors

Mr. Wang Xiaojun

Ms. Tan Yan

Mr. Zhang Liqing

BOARD COMMITTEES

Audit Committee

Ms. Tan Yan (*Chairman*)

Mr. Liu Zhihui

Mr. Wang Xiaojun

Mr. Zhang Liqing

Remuneration Committee

Mr. Wang Xiaojun (*Chairman*)

Ms. Tan Yan

Mr. Zhang Liqing

Nomination Committee

Ms. Wu Lanyu (*Chairman*)

Mr. Liu Ping

Mr. Wang Xiaojun

Ms. Tan Yan

Mr. Zhang Liqing

Strategy and Sustainability Committee

Ms. Wu Lanyu (*Chairman*)

Mr. Liu Ping

Mr. Wang Yingnan (appointed on 13 March 2026)

Ms. Tan Yan

Mr. Zhang Liqing

Mr. Yao Yucheng (appointed on 6 June 2025 and resigned on 27 January 2026)

JOINT COMPANY SECRETARIES

Mr. Liu Long (appointed on 27 January 2026)

Mr. Lau Kwok Yin

Mr. Yin Chao (resigned on 27 January 2026)

AUTHORISED REPRESENTATIVES

Ms. Wu Lanyu

Mr. Lau Kwok Yin

AUDITOR

BDO Limited

Certified Public Accountants and Registered PIE Auditor
25th Floor, Wing On Centre, 111 Connaught Road Central
Hong Kong

LEGAL ADVISOR

Han Kun Law Offices LLP

Rooms 4301-10, 43/F,
Gloucester Tower

The Landmark, 15 Queen's Road Central, Hong Kong

PRINCIPAL BANKER

China Construction Bank

Poly Grand Mansion Branch

Shop 102, No. 3 Chen Yue Road, Hai Zhu District
Guangzhou, Guangdong Province, the PRC

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

48-49th Floor, Poly Plaza

No. 832 Yue Jiang Zhong Road

Hai Zhu District, Guangzhou, Guangdong Province
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre

248 Queen's Road East, Wanchai, Hong Kong

H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road, Hong Kong

INVESTOR RELATIONS

Telephone: (86) 20 8989 9959

E-mail: stock@polywuye.com

COMPANY WEBSITE

www.polywuye.com

STOCK CODE ON THE HONG KONG STOCK EXCHANGE

06049



SUMMARY OF THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
Revenue (RMB million)	17,126.1	16,342.3
Gross profit (RMB million)	2,985.1	2,984.3
Gross profit margin	17.43%	18.26%
Profit for the year (RMB million)	1,567.9	1,489.4
Net profit margin	9.2%	9.1%
Profit for the year attributable to owners of the Company (RMB million)	1,549.5	1,473.9
Basic earnings per share (RMB)	2.810	2.683
Return on shareholders' equity (weighted average)	15.4%	16.2%

- * On 18 February 2022, the shareholders of the Company ("**shareholders**") approved the adoption of a restricted share incentive scheme. During the year ended 31 December 2025, 1,579,776 H shares of the Company (the "**H Share(s)**") were vested and 1,653,242 H Shares of the Company were lapsed, of which 583,420 H Shares were sold to the secondary market by an independent trustee (the "**Trustee**") appointed by the Company (during the year ended 31 December 2024, 1,363,098 H Shares of the Company were vested and 116,536 H Shares of the Company were lapsed and sold to the secondary market by the Trustee appointed by the Company). The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 December 2025 (the "**year**" or "**period**") and for the year ended 31 December 2024 was 551,338,000 and 549,319,000, respectively. Details are set out in note 28 to the consolidated financial statements in this annual report.

SUMMARY OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2025	2024
Total assets (RMB million)	18,255.7	16,781.2
Cash and bank balances (RMB million)	12,885.9	11,866.7
Total equity (RMB million)	10,740.7	9,871.3
Gearing ratio	41.2%	41.2%



MAJOR EVENTS IN 2025

In February 2025, Poly Property established a specialised engineering services company. Centred on serving property companies, external B/G-end clients and C-end property owners, the company aims to develop comprehensive building lifecycle engineering service solutions by carrying out core businesses include "energy retrofitting, engineering maintenance and harmonious home furnishing" and gradually building a core product matrix of "one energy solution and two maintenance services".



In January 2025, Poly Property received a letter of appreciation from the Executive Committee of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, which not only commended its contribution on the occasion of the 25th anniversary of Macao's return to the motherland and the third anniversary of the establishment of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, but also highly praised the construction of the Poly South China Headquarters Building and the exhibition set up and operation services for the "Harmonious Coexistence of Hengqin and Macao – Thematic Exhibition on the Construction of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (琴澳和鳴 — 橫琴粵澳深度合作區建設主題展)".



In February 2025, Poly Property established a specialised urban services company based on its profound contemplation of urban futures, integrating four dimensions including planning, operation, governance and ecology, and being committed to driving cities to transform from "resources" to "assets", upgrade from "governance" to "high-quality governance" and revitalise from "spaces" to "scenarios".



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In March 2025, the All-China Women's Federation released the full lists of the National 8 March Red Banner Pacesetters, the National 8 March Red Banners, the National 8 March Red Banner Groups and the National Women's Civilisation Post for 2024. The Xitang Scenic Area Property Service Center by Poly Property of Poly Developments and Holdings under the China Poly Group, was honoured with the title of "National 8 March Red Banner Group".

In May 2025, the National Spiritual Civilisation Construction Commendation Conference was held in Beijing. The Central Public Communication and Culture Work Leading Group decided to award the title of "the Seventh National Civilised Unit" to 4,688

units, including Poly Property. With its numerous investments and practices in spiritual civilisation construction, Poly Property was successfully selected and secured the highest award in terms of spiritual civilisation construction.



In July 2025, China Poly Group Corporation Limited ("China Poly Group") held the launch event themed "Innovate for A Brighter Future – Poly Day on 15 July (向新赴美好 – 7·15保利日)" at the Beijing New Poly Plaza. The comprehensive service innovations under the guidance of Poly Property's "Comprehensive Property" strategy garnered high recognition, with it being selected as one of the first batch of "high-quality sub-brands" in China Poly Group's brand value enhancement initiative.



In July 2025, the 2025 China International Property Management Industry Expo was held at the Qingdao International Convention Center (Laoshan Hall), with the Fifth Standardisation and High-Quality Development of Property Management Forum convening concurrently. Drawing upon its standardisation practices in the residential sector, Poly Property delivered a speech entitled "Standardisation Facilitates the Implementation of Quality Services 《标准化助力好服务落地》".

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In November 2025, the 2025 Conference on Social Governance and Collaborative Innovation for High-quality Urban Development and the Fifth "Mayor Forum", hosted by Poly Property, were held in Shenzhen. Hundreds of government officials nationwide, along with representatives from academia and the industry, gathered in the Roc City to discuss new futures for urban development. Poly Property officially launched the "Comprehensive Scenic City Model", establishing a panoramic, citywide and full-cycle systemic solution.



No.	Awards	Awarding Entity
1	2025 TOP100 Property Management Companies in China (TOP2)	Beijing China Index Academy
2	2025 Specialised Operational Leading Brand of Property Management Companies in China (Brand Value of RMB29.5 billion)	Beijing China Index Academy
3	2025 TOP100 Property Management Companies in China in terms of Business Size (TOP10)	Beijing China Index Academy
4	2025 TOP100 Property Management Companies in China in terms of Operational Efficiency (TOP10)	Beijing China Index Academy
5	2025 China High-end Property Service Leading Company	Beijing China Index Academy
6	2025 Leading Companies in Smart City Service of China's Property Management	Beijing China Index Academy



No.	Awards	Awarding Entity
7	2025 Top 100 State-owned Property Management Companies in China (TOP 1)	CRIC Property Management/China Property Research Association
8	2025 Top 100 Property Service Companies in China (TOP 1)	CRIC Property Management/China Property Research Association
9	2025 China Leading Property Companies in terms of FM Facility Management	CRIC Property Management/China Property Research Association
10	2025 China Leading Property Management Companies in terms of Service Quality	Beijing China Index Academy
11	2025 China Excellent Property Management Company by ESG Development	Beijing China Index Academy
12	2025 China Leading Property Management Companies in terms of Social Responsibility	Beijing China Index Academy



DEAR SHAREHOLDERS,

On behalf of the Board, I am pleased to present the annual results of the Group for the year ended 31 December 2025. During the year, the Group recorded a revenue of approximately RMB17,126.1 million, representing an increase of approximately 4.8% as compared to the corresponding period of 2024; a profit for the year of approximately RMB1,567.9 million, representing an increase of approximately 5.3% as compared to the corresponding period of 2024; and a profit for the year attributable to owners of the Company of approximately RMB1,549.5 million, representing an increase of approximately 5.1% as compared to the corresponding period of 2024.

A REVIEW OF 2025

2025 was a pivotal year, marking the conclusion of China's "14th Five-Year Plan" and the commencement of the "15th Five-Year Plan". It also represented a critical juncture for the industry's transition into a new cycle focused on high-quality development. Amidst a complex and evolving macroeconomic landscape and a real estate market undergoing profound adjustments, competition within the property management industry intensified. Concurrently, clients' demand for enhanced service quality became increasingly prominent. The Group maintained its strategic focus, leveraging its continuously refining service quality and steadily improving business structure to effectively hedge against external uncertainties and deliver robust, high-quality performance consistently.

1. *Adhering to market-oriented development with significant achievements in comprehensive property services layout*

The Group deepened its presence in the comprehensive property services sector, with market-oriented development serving as its core growth driver. During the year, the single-year contract value of newly expanded third-party projects of the Group amounted to approximately RMB2,929.5 million, maintaining a position within the industry's first tier. This effectively supported the steady growth of the Company's performance. Revenue from property management services of the Group reached approximately RMB13,149.8 million for the year, of which revenue from property management of third-party projects amounted to approximately RMB5,860.0 million, representing an approximately 17.5% increase year-on-year, raising its proportion to approximately 44.6%. Adhering to its "three ploughing" market expansion strategy by focusing on 50 core cities, high-quality industry clients and core quality business types, the Group optimized its density of projects managed and business mix. In 2025, the 50 core cities contributed approximately 80.0% of the total revenue from property management for the Group, among which 27 cities each generated over RMB100 million in revenue from property management.

2. *Seizing opportunities in integrated operations & asset services to cultivate future growth drivers*

Upholding a long-term strategic mindset, the Group gained deep insights into the structural opportunities presented by the era of existing assets. We are committed to incubating high value-added “new capabilities” within “familiar service scenarios”, extending the value chain of clients’ lives and assets, and building a full-lifecycle industrial ecosystem. On one hand, we strengthened the strategic depth of our “Scene-City Integration” approach, actively expanding into scenic area operation services to achieve a value leap from basic services to the cultural tourism sector. By establishing a full-chain service model integrating “property services + IP development + commercial operations”, we successfully developed benchmarking projects in scenic areas such as Shenzhen Xichong Coastal Tourism Resort (深圳西涌濱海旅遊度假區), Guizhou Huajiang Canyon Bridge Tourism Service Area (貴州花江峽谷大橋旅遊服務區) and Guangzhou Haizhu Wetland Park (廣州海珠濕地園區). This effort forged higher value-added operational service capabilities, which will broaden our business moat and optimize our profit structure. On the other hand, we enriched the scope of community value-added services. Capitalizing on urban renewal and the revitalization of existing assets, we established a portfolio of engineering services including old residential compounds renovations, energy retrofits, home furnishing and in-home quick repairs. During the year, we used high-frequency in-home quick repairs as an entry point, increased service density and achieved a professional advancement from “basic repair and maintenance” to “asset value preservation and appreciation”, actively cultivating a sustainable second growth curve.

3. *Advancing refined management to drive dual improvement in quality and efficiency*

The Group systematically implemented its framework of “three-dimensional standardization, operational consolidation and management digitalization”, continuously enhancing service quality while improving cost structure and management efficiency. On service quality, we comprehensively deepened the implementation of the “three-dimensional standardization” management system covering “service standardization, cost standardization and assessment standardization”. Through the output of standardized offerings, we ensured consistent, stable and efficient delivery of service quality nationwide. On business operations, we steadfastly promoted the “regional project clusters” management model, completing the grid-based integration of 141 regions cumulatively. We further implemented vertical supply chain integration in core regions to achieve intensive sharing of operational resources. On digital management and control, we built a project full-lifecycle management system to solidify the quality foundation for scaled development. We accelerated the deployment of AI large language models and data middle platform in business scenarios, driving the transformation of business decision-making from “experience-driven” to “data-driven”, significantly improving service response speed and operational precision. Benefiting from this systematic upgrade of refined management, during the year, the Group’s gross profit margin for property management services remained relatively stable, and administrative expenses decreased by approximately 11.5% year-on-year, and their proportion to revenue decreased by approximately 1.1 percentage points to approximately 5.8%, highlighting operational resilience.



4. *Advancing organizational professionalization to drive high-quality development*

The Group steadfastly implemented its “enterprise with strong talent base” strategy, treating organizational capability building as the core engine for high-quality development. During the year, we advanced the construction of a professionalized organizational system to achieve resource consolidation and functional focus, thereby driving continuous advancement and breakthroughs in professional capabilities. Based on deep professional specialization, we continuously strengthened the identification and cultivation of potential talent, refined talent profiles for key positions, and improved the dynamic management mechanism of “selecting excellent candidates and survival of the fittest”. We increased strategic talent deployment in core areas such as market expansion, value-added services and technology application, building a high-quality interdisciplinary talent team suited for the new development cycle. Simultaneously, we established a diversified incentive system that emphasizes both scale and quality, deeply aligning the value of core talent with the Company’s long-term operational outcomes. This stimulated organizational endogenous motivation and provided solid organizational support for building the Group’s long-term competitive barriers.

FUTURE OUTLOOK

Guided by the goals of building modern people-oriented cities and fulfilling the pursuit of a better life, China’s urban development and governance philosophies are undergoing profound changes. For the first time, service quality improvement was included in the government work report, indicating that property services are moving towards a comprehensive “value reconstruction”. In the dimension of real estate operation services, property service enterprises are upgrading from traditional real estate supporting service providers to value creators of “good houses with high-quality services”, becoming an important support for people’s livelihood services. In the dimension of urban governance, property services are accelerating their integration into urban public spaces, becoming an important force in advancing the modernization of grassroots governance. In this process, heightened market competition and rising client demand for quality will drive the industry to focus on service value creation, promoting the advancement of professional capabilities and the reshaping of the industry’s ecosystem.

The industry’s depth continues to extend, with the boundaries and substance of property services constantly expanding. According to the Fifth National Economic Census Bulletin, the revenue scale of the property management industry reached approximately RMB1.7 trillion, indicating vast development prospects for the industry. On one hand, the client base is broadening from residential occupants to include enterprises and governments, providing strong support for industry growth, as well as demanding enterprises to possess comprehensive product systems, stable delivery capabilities, and platform-based resource integration abilities to accurately respond to the personalized needs of different client segments. On the other hand, the continuous iteration of industry professional capabilities has broken through the service ceiling. Leading enterprises are deepening their product matrix, extending their service reach from basic property management into asset operations and productive services. While meeting clients’ basic needs, they are building rich “basic services +” ecosystems, continuously expanding the boundaries of corporate value creation.

The industry’s competitive landscape is being reshaped, with market differentiation accelerating and concentration increasing. As regulatory policies improve and owners’ awareness of their rights strengthens, the industry is accelerating its shift from a “scale race” to a “quality competition”. With the increasing maturity of market-oriented mechanisms, “value for money, service transparency and asset value preservation” have become core client demands. This not only promotes the return of enterprises to the essence of service but also builds a healthy competition ecology of survival of the fittest. In this process, leading central state-owned enterprises with brand credibility and high-quality performance capabilities will gain significant competitive advantages. The industry has entered into a critical period of moat competition. Only by building differentiated service products, effectively undertaking the professional service needs of diversified clients, building an integrated competitive barrier comprising “product strength, brand equity and operational efficiency”, and completing the transition from “pursuing scale” to “creating sustainable value”, could companies achieve steady and long-term progress amid fierce competition for existing market share and solidify the foundation for high-quality development.

The business model will transit from “labor-driven” to “technology-driven”. Although the scale effects of automation tools are still accumulating, human-machine collaboration has already demonstrated certain economic benefits in local high-frequency scenarios. As AI large language models and data middle platform technologies mature, technology will no longer be merely a tool but will become a core production factor reshaping business process and operational models. By using data to drive management decisions and intelligent devices to replace repetitive labor, the industry has the potential to break through the efficiency bottlenecks which are characteristic of traditional labor-intensive sectors. In the future, achieving an organic balance between service efficiency and service experience will become the core metric for measuring whether a property service company possesses “new quality service capability”.

The evolution of organizational capability has become the core guarantee for the implementation of strategies.

As service boundaries extend into new areas such as enterprise services, asset management and cultural tourism operations, the complexity of business and the difficulty of cross-sector collaboration increase accordingly, presenting new challenges to enterprises' resource integration capabilities and professional operation level. Against the backdrop of the industry's accelerated transformation into a modern comprehensive service industry, the traditional organizational models of property service companies are no longer well suited to the simultaneous development needs across regions, multiple business activities and multiple industries. Therefore, building a multi-disciplinary talent team with cross-sector integration capabilities and proficiency in comprehensive operation, and building an agile, efficient, professional and vertical organizational ecosystem, will become the strategic cornerstone for enterprises to cope with future challenges and the key support for property service companies to win in the long-term competition.

Time is a constant, but also the variable of strivers. Under the new circumstances, the Group unwaveringly promotes strategic upgrading and officially upgrades its strategic positioning to “Premier Operator for Holistic Urban Governance”. Looking ahead, the Group will promote professional, lean and digital development with an enterprising spirit of “Rise Where We Stand, Rise for the New”, create steady and long-term returns for shareholders, and contribute the service strengths of a state-owned enterprise to society.

POLY PROPERTY SERVICES CO., LTD.

Wu Lanyu

Chairman of the Board and Executive Director

Guangzhou, the PRC, 31 March 2026

BUSINESS REVIEW

The Group is a leading comprehensive property management services provider in China with extensive property management scale and central state-owned enterprise background. According to the ranking of 2025 Top 100 Property Management Companies in China by the China Index Academy, the Group ranked second among the Top 100 Property Management Companies in China and the first among state-owned property management companies. The Group adheres to its corporate mission of “serving people by managing and achieving (善治善成, 服務民生)”, and is committed to providing customers with quality services that meet the needs of a better life, and has earned a good reputation in the industry. Our brand was valued at approximately RMB29.5 billion in 2025. The Group has actively pushed forward the “Comprehensive Property” strategy and its business portfolio covers residential communities, commercial and office buildings and public and other properties. As at 31 December 2025, the Group’s contracted GFA and GFA under management were approximately 1,012.1 million sq.m. and 855.0 million sq.m. respectively, covering 194 cities across 31 provinces, municipalities and autonomous regions in China.

The Group’s revenue is derived from three main business lines, namely (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

Property management services – representing approximately 76.7% of the total revenue

For the year ended 31 December 2025, the Group’s revenue from property management services amounted to approximately RMB13,149.8 million, representing an increase of approximately 12.6% as compared to the corresponding period of 2024, which was mainly due to the expansion of GFA under management and the increase in the number of projects under management of the Group.

The following table sets out the changes in the Group’s contracted management scale:

Source of projects	As at 31 December					
	Contracted GFA ’000 sq.m.	2025 Percentage of contracted GFA	Number of contracted projects	Contracted GFA ’000 sq.m.	2024 Percentage of contracted GFA	Number of contracted projects
		%			%	
Poly Developments and Holdings Group (Note 1)	363,504	35.9	1,782	358,730	36.3	1,714
Third parties (Note 2)	648,615	64.1	1,603	629,395	63.7	1,516
Total	1,012,119	100.0	3,385	988,125	100.0	3,230

Note 1: The related information of “Poly Developments and Holdings Group” set out in the section headed “Management Discussion and Analysis” in this report includes properties developed, solely or jointly with other parties, by Poly Developments and Holdings Group Co., Ltd. and its subsidiaries, joint ventures and associates.

Note 2: The GFA from “Third parties” as set out in the section headed “Management Discussion and Analysis” in this report excludes projects that do not clearly stipulate the agreed GFA in the contracts. With the Group enhancing its market expansion, certain third party project contracts only stipulate the total contract price rather than the GFA.

The steady development of the controlling shareholder, Poly Developments and Holdings Group, has established a solid foundation for the Group's growth. In recent years, Poly Developments and Holdings Group has continuously optimised its project expansion and sales structure, driving sustained growth in the unit price of new projects and enhancing the Group's brand image. As an industry benchmark that has retained the title of "Leading Brand in China's Real Estate Industry (中國房地產行業的領導公司品牌)" for the sixteenth consecutive year, Poly Developments and Holdings Group achieved a contracted sales amount of RMB253.03 billion in 2025, ranking first in the industry. As at 31 December 2025, the Group's contracted GFA from Poly Developments and Holdings Group was approximately 363.5 million sq.m..

The Group remains committed to market-oriented development. As at 31 December 2025, the contracted GFA from third-party projects was approximately 648.6 million sq.m., accounting for approximately 64.1% of the total contracted GFA. During the year, the Group newly expanded third-party projects with single-year contract value of approximately RMB2,929.5 million, maintaining its position among the top tier in the industry in terms of expansion scale. Meanwhile, the Group has maintained its focus on premium and core cities and core sectors, with its business structure undergoing continuous optimisation. In terms of city distribution, during the year, the Group's single-year contract value of newly expanded third-party projects in the top 50 core cities accounted for 80.4%, with 8 cities (including Beijing, Shanghai and Guangzhou) each achieving over RMB100 million in expansion performance. Regarding the acquisition of large-scale projects, during the year, the newly expanded third-party projects with single-year contract value exceeding RMB10 million accounted for 56.0%. As for core sectors, the Group has deeply focused on commercial and office buildings, urban scenic areas, higher education and teaching & research properties, as well as railways and transportation properties, further solidifying its professional barriers and leading position in the non-residential property sub-sectors.

The following table sets out a breakdown of the Group's revenue, GFA under management and the number of projects under management by the source of projects for the periods or as at the dates indicated:

Source of projects	Year ended 31 December or as at 31 December									
	2025					2024				
	Revenue		GFA under	Number of		Revenue		GFA under	Number of	
	RMB'000	%	'000 sq.m.	projects under		RMB'000	%	'000 sq.m.	projects under	
Poly Developments and Holdings Group	7,289,864	55.4	290,796	34.0	1,596	6,687,193	57.3	277,810	34.6	1,476
Third parties	5,859,951	44.6	564,214	66.0	1,440	4,987,296	42.7	525,609	65.4	1,345
Total	13,149,815	100.0	855,010	100.0	3,036	11,674,489	100.0	803,419	100.0	2,821

The Group has achieved steady growth in the GFA under management from projects developed by Poly Developments and Holdings Group. As at 31 December 2025, the GFA under management from projects developed by Poly Developments and Holdings Group was approximately 290.8 million sq.m., representing an increase of approximately 13.0 million sq.m. as compared to the end of 2024. For the year ended 31 December 2025, revenue from the property management services of projects developed by Poly Developments and Holdings Group was approximately RMB7,289.9 million, representing a growth of approximately 9.0% as compared to the corresponding period in 2024, and accounting for approximately 55.4% of the total revenue from property management services.

By steadfastly implementing a market-oriented strategy, the Group has achieved remarkable results in third-party expansion, which has become a core engine driving both scale and revenue growth. As at 31 December 2025, the GFA under management from third-party projects reached approximately 564.2 million sq.m., representing an increase of approximately 38.6 million sq.m. as compared to the end of 2024, accounting for approximately 66.0% of the total GFA under management. The revenue from property management services to third parties continued to grow at a rapid pace, reaching approximately RMB5,860.0 million for the year ended 31 December 2025, representing a growth of approximately 17.5% as compared to the corresponding period in 2024. Such revenue accounted for approximately 44.6% of the total revenue from property management services, representing an increase of approximately 1.9 percentage points year-on-year.

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

Property type	Year ended 31 December or as at 31 December									
	2025		2024		Number of projects under management	2025		2024		Number of projects under management
	Revenue RMB'000	%	GFA under management '000 sq.m.	%		Revenue RMB'000	%	GFA under management '000 sq.m.	%	
Residential communities	7,368,422	56.0	331,008	38.7	1,769	6,779,510	58.1	314,216	39.1	1,654
Non-residential properties	5,781,393	44.0	524,002	61.3	1,267	4,894,979	41.9	489,203	60.9	1,167
– Commercial and office buildings	2,484,211	18.9	48,693	5.7	525	1,951,744	16.7	39,961	5.0	454
– Public and other properties	3,297,182	25.1	475,309	55.6	742	2,943,235	25.2	449,242	55.9	713
Total	13,149,815	100.0	855,010	100.0	3,036	11,674,489	100.0	803,419	100.0	2,821

For residential communities, the Group has deepened the “I-TRUST” service system, centered on the core values of “Under-control, Intelligent, Specialized, Rich-atmosphere, Transparent, and Taking-care”, continuously refreshing its three major service brands: “Oriental Courtesy (東方禮遇)”, “Elegant Life (四時雅集)” and “Harmony Courtyard (親情和院)”, thereby solidifying its position as a benchmark for quality services within the industry. The Group has newly launched the “Poly Smart Choice (保利智選)” product system, precisely responding to property owners’ core demands for “transparent and quality-price alignment services” by constructing a menu-style service list and a transparent pricing mechanism. Benefiting from its excellent brand reputation and flexible product strategy, the Group has accelerated its penetration into existing residential market in high-tier cities such as Beijing, Shanghai, Wuhan and Hefei. During the year, the Group newly expanded 33 existing residential projects, with single-year contract value reaching approximately RMB179.9 million, representing a year-on-year increase of 33.4%. The average property management fee per unit of newly expanded existing residential projects reached RMB2.9/sq.m./month, with 4 projects securing single-year contract value exceeding RMB10 million. As at 31 December 2025, the GFA under management of the Group in residential communities was approximately 331.0 million sq.m. For the year ended 31 December 2025, revenue from property management services for residential communities amounted to approximately RMB7,368.4 million, representing an increase of approximately 8.7% as compared to the corresponding period of 2024.



Oriental Courtesy

With a brand philosophy of “perceiving emotions and delivering courtesy”, “Oriental Courtesy” high-end residential service brand crafts a security system “guaranteed by three processes and six aspects”, provides double butler services, and establishes a community culture system based on four acts of etiquette and eight acts of courtesy”, endowing community culture with profound spiritual essence and resource allocation, and curating reverent sophistication that permeates every moment of daily life.



Elegant Life

“Elegant Life” aligns with the new middle class’s service demands of “efficiency first”, “quality consumption” and “aesthetic economy” by equipping property owners with smarter facilities and delivering more appealing service offerings, to create an elegant and leisurely living atmosphere.



Harmony Courtyard

“Harmony Courtyard” provides companionship services with “sincerity, kindness, beauty and harmony” by adhering to the value proposition of “warming homes”, with an aim to build ideal communities featuring “collaboration, participation, and shared benefits”, cultivate a courtyard culture featuring companionship, and create a sound community atmosphere for property owners.

For commercial and office buildings, the Group has established the property service brand of “Nebula Ecology (星雲企服)” to provide customers with “trinity” integrated solutions including property management, asset management and corporate services, fully supporting customers’ production, operations, office work and living scenarios. During the year, the Group precisely targeted state-owned enterprise customers and the industries driven by new quality productive forces, and continuously expanded its competitive edge in sub-sectors. As of 31 December 2025, the Group had served 6 bank headquarters and nearly a hundred branches, establishing significant scale density and service barriers within the state-owned financial and commercial office sector. In the internet and high-tech sector, the Group deepened its IFM integrated facility management layout, successfully becoming the major logistics service provider for JD Group and XPeng, while securing benchmark projects of high-end manufacturing such as SMIC and Goertek. During the year, the single-year contract value of newly expanded projects from third party’s commercial and office buildings by the Group amounted to RMB1,275.9 million, representing a year-on-year increase of 14.5%. As of 31 December 2025, the GFA under management of the Group in commercial and office buildings was approximately 48.7 million sq.m. For the year ended 31 December 2025, revenue from property management services for commercial and office buildings amounted to approximately RMB2,484.2 million, representing an increase of approximately 27.3% as compared to the corresponding period of 2024.

Nebula Ecology

Positioning as “state-funded services”, “Nebula Ecology” commercial and office service brand establishes a service model providing integrated “trinity services” including property management, corporate services and asset management, delivering professional and one-stop commercial service solutions for customers, and contributing to the high-quality development of the national economy.



For public and other properties, the Group has leveraged the brand strength of “Poly Public Services (保利公共服務)”, and continued to deepen its layout across diverse sectors such as urban scenic areas, higher education and teaching & research properties, railways and transportation properties, hospital properties, government offices and urban public facilities, etc. During the year, the Group achieved strategic advancement in the urban scenic area sector by innovatively launching the “Poly Comprehensive Scene-City Model”. Guided by the core concept of “Scene-City Integration”, the Group established a symbiotic development framework where “scenic areas boost cities while cities promote scenic areas”. The Group leveraged property services as its foundation, integrating high-value-added scenic area comprehensive operation services such as scenic area IP operation and commercial planning. The Group has successfully established the benchmark project of Shenzhen Xichong Coastal Tourism Resort (深圳西涌濱海旅遊度假區), achieving an upgrade in its operation model, and facilitated the implementation and transformation of scenic area operation services in key projects such as Guangzhou Haizhu Wetland Park (廣州海珠濕地園區) and Guizhou Huajiang Canyon Bridge Tourism Service Area (貴州花江峽谷大橋旅遊服務區). For the year ended 31 December 2025, the Group’s newly expanded public and other property projects reached a single-year contracted value of approximately RMB1,298.2 million. During the year, revenue from public and other properties was approximately RMB3,297.2 million, representing an increase of approximately 12.0% as compared to the corresponding period in 2024, accounting for approximately 25.1% of the total revenue from property management services.

Poly Public Services

Poly Public Services is a new “trinity” management approach jointly explored by Poly Property and the government, which has established a new management model of public services based on the theory of public services, where the government takes the leading role while Poly Property acts as the service provider with active participation from service subjects.

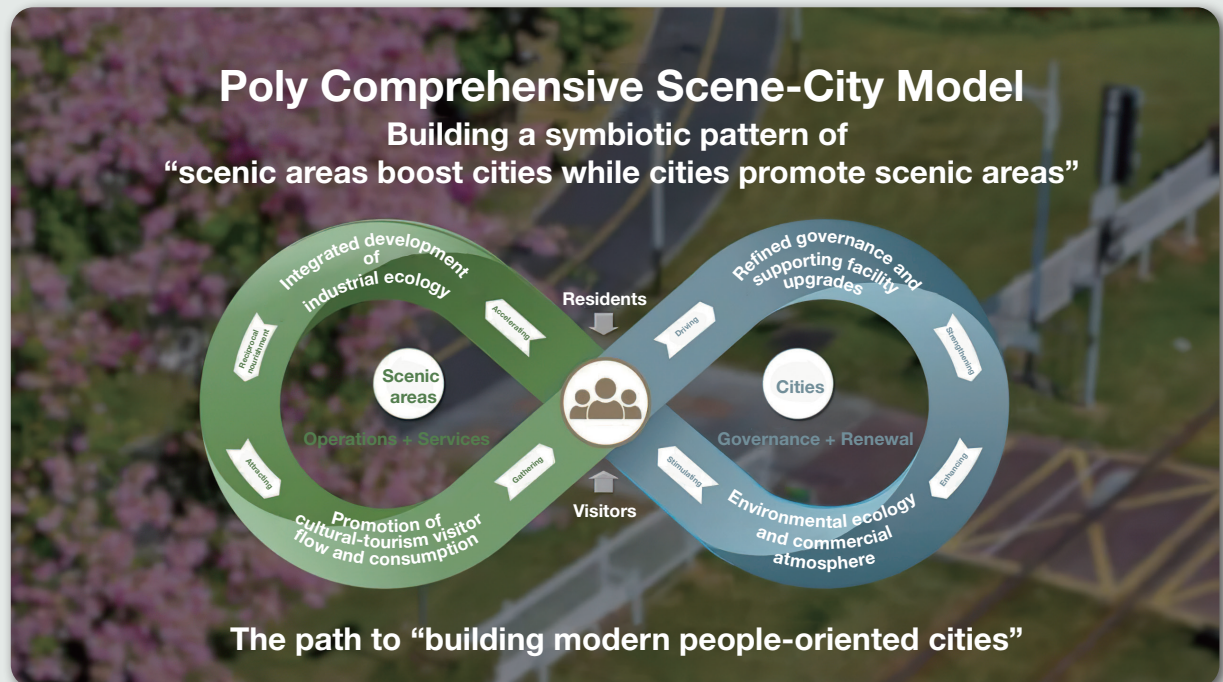


Zhejiang Xitang Ancient Town Scenic Area



Shenzhen Xichong Coastal Tourism Resort

The “Poly Comprehensive Scene-City Model” is an urban development model serving the goal of “building modern people-oriented cities”. With the concept of “scenic areas boost cities while cities promote scenic areas”, it adopts a macro perspective of urban planning, closely addresses the need to improve and upgrade existing assets, and takes “scenic resources” as the core lever. It builds a circular transformation pathway of “scenery – livelihood – industry – city brand”, achieving a symbiotic integration of modernized governance and people’s well-being”.





Steady increase in the average property management fee per unit

Benefiting from higher pricing standards for new projects and price increases for certain projects under management, the average property management fee per unit of the Group experienced a steady upward trend.

The following table sets out the average property management fee per unit of residential communities for the periods indicated:

	Year ended 31 December		
	2025 (RMB/sq.m./month)	2024	Changes (RMB)
Residential communities	2.47	2.41	Increased by 0.06
– Poly Developments and Holdings Group	2.56	2.51	Increased by 0.05
– Third parties	1.96	1.87	Increased by 0.09

Value-added services to non-property owners – representing approximately 9.6% of the total revenue

The Group provides value-added services to non-property owners (mainly property developers), including (i) pre-delivery services to property developers to assist with their sales and marketing activities at property sales venues and display units, mainly including visitor reception, cleaning, security inspection and maintenance; (ii) office leasing; and (iii) other value-added services to non-property owners, such as consultancy, inspection, delivery and repair and maintenance, etc.

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

Service type	Year ended 31 December			
	2025		2024	
	RMB'000	Percentage of revenue %	RMB'000	Percentage of revenue %
Pre-delivery services	756,323	46.2	1,039,620	53.0
Office leasing	236,834	14.5	312,855	16.0
Other value-added services to non-property owners	642,958	39.3	607,628	31.0
Total	1,636,115	100.0	1,960,103	100.0

For the year ended 31 December 2025, the Group's revenue from value-added services to non-property owners amounted to approximately RMB1,636.1 million, representing a decrease of approximately 16.5% as compared to the corresponding period of 2024, which was mainly due to (i) a decline in the number of pre-delivery service projects as a result of the real estate development cycle; and (ii) pressure on the revenue from the office leasing business due to adjustments in the commercial and office leasing market environment. Nevertheless, the Group actively optimised its business structure. During the year, revenue from other value-added services to non-property owners amounted to approximately RMB643.0 million, representing a year-on-year increase of 5.8%, which was largely due to the Group's accelerated expansion into engineering services such as house repairs and energy retrofitting, which effectively drove steady release of business growth.

Value-added Services to Non-property Owners

Poly Property provides pre-delivery services and other value-added services to non-property owners for property developers.



Pre-delivery service



Pre-delivery service



Engineering maintenance service



Energy-saving renovation service

Community value-added services – representing approximately 13.7% of the total revenue

The Group focuses on community asset operation and community living scenarios to create a value-added service ecosystem covering home furnishing services, parking space agency services, house rental and sales agency services, community retail, housekeeping services, parking lot services, space operations and other services, which has been designed to meet the tailor-made service needs of property owners in community scenarios and enhance the convenience and happiness of living.

For the year ended 31 December 2025, the Group's revenue from community value-added services amounted to approximately RMB2,340.1 million, representing a decrease of approximately 13.6% as compared to the corresponding period of the previous year. Against the backdrop of fluctuations in the macro-consumer environment and in-depth adjustments in the real estate market, the Group proactively responded to market challenges, took the initiative to optimise its business structure, and consolidated its industrial capabilities, focusing on creating core product categories with long-term competitive advantages. In the living service sector, relying on customer needs and best practices from projects, the Group precisely focused on high-frequency and essential sectors such as retail and housekeeping, continuously deepening the integration of supply chain resources and refining product capabilities. In the asset service sector, the Group consolidated its full-cycle management capabilities for community assets and strengthened the synergy among house rental and sales, parking space agency and home furnishing businesses. Through the optimisation of its business structure and the construction of industrial capabilities, the Group is committed to building a more resilient and sustainable community value-added business model.

Community Value-added Services

From convenient civil services and housekeeping to home furnishing services and Hé Market, a community service ecosystem is built to achieve full coverage of living scenarios and the entire life cycle.



House rental and sales agency service



Home furnishing service



FUTURE DEVELOPMENT

2026 marks the inaugural year of China's "15th Five-Year Plan" and represents a pivotal starting point for the property management industry as it embarks on a new cycle of high-quality development. The fundamental drivers of China's long-term economic growth remain unchanged, continuing to demonstrate resilience and vitality. The real estate industry has entered a bottoming-out phase. Under the policy guidance of "good houses with high-quality services", the enhancement of property service quality has been included in the Government Work Report for the first time. Looking back, the Group has been adhering to prudent operations and a long-term-oriented perspective, navigating through economic cycles with solid performance. Looking ahead, in the face of new opportunities and new challenges in the development of the industry, the Group will focus on the strategic positioning of becoming the "Premier Operator for Holistic Urban Governance", making concerted efforts in three key dimensions: strengthening quality foundations, enhancing business development and deepening lean management, to build core competitiveness that navigates through economic cycles.

In the dimension of quality foundations, the Group steadfastly upholds the "customer-centric" core value, viewing service quality as the cornerstone of its existence and the moat for its long-term development. The Group will leverage the "three-dimensional standardization" management system as the service foundation to lead the fulfillment of high service quality, and continuously refine the customer response mechanism by utilizing digital hubs such as the work order center and 400 hotline to drive the intelligent advancement of the service model from "passive response" to "proactive anticipation", thereby consistently improving the customer service experience. Additionally, the Group has established a strategic pathway of empowering quality development through specialized organizations. The Group drives each business line to achieve "quality excellence and professional strengthening" and addresses the diversity of service demands with the certainty of organizational capabilities, thereby solidifying the foundation for sustained quality development.



In the dimension of business development, the Group adheres to the development logic of “broadening the foundation through basic services and extending value through value-added ecosystems”, to shape a high-quality growth curve. **In terms of basic services**, the Group will firmly pursue market-oriented expansion as the core approach, leverage the synergistic advantages of multiple sectors, and continuously strengthen its footprint in basic property services. **For the residential sector**, the Group will intensify the expansion of existing projects in core cities, leveraging the “Poly Smart Choice (保利智選)” menu-based product system to achieve modularized services and transparent pricing, so as to align with the demand of property owners for “quality commensurate with price”, thereby expanding and strengthening the foundation of the residential market. **For the commercial enterprise sector**, the Group will deepen the “major account strategy”, targeting customers in the high-potential industries driven by new quality productive forces, and establish “headquarters-to-headquarters” coordination and specialized line-of-business empowerment mechanisms, complemented by diverse corporate services including energy transformation, professional guided tours, and group meal services, to comprehensively empower corporate production and operations as well as employees’ office and daily lives. **For the public service sector**, the Group will focus on the “Scene-City Model”, optimize the profit structure through “basic services + scenic area operations”, and continue to deepen its presence in core sub-segmented sectors such as urban scenic areas, healthcare, education and research, and transportation, thereby solidifying its leading advantage of “Holistic Urban Governance”. **In terms of value-added services**, the Group prioritises customer needs and leverages the scale advantages of its basic services to forge a second growth curve for its sustained business development. **For living services**, the Group focuses on high-frequency and essential scenarios such as retail and housekeeping to strengthen self-operated capabilities and create products with property service features. **For asset management**, by capitalising on the proximity and customer loyalty advantages, the Group delves deeply into the housing brokerage business in core cities, builds differentiated service barriers that set it apart from traditional intermediaries, and promotes the upgrade of the “sales + operation” model for parking spaces to enhance asset added value and sales turnover rate. **For engineering business**, the Group focuses on top 10 core cities, integrating home furnishing and quick repair services to create a closed-loop business model of “residential renovation + instant maintenance”. The Group builds an energy service product system around the green and energy-saving demands of institutional clients. Meanwhile, the Group seizes opportunities in aging community renovations by delivering engineering maintenance services such as elevator upgrades and facility refurbishments, so as to realise its “full-lifecycle property management”.

In the dimension of lean management, the Group is committed to promoting the in-depth integration of technological innovation and cost control, reshaping operating processes to enhance operational efficiency, and building a cost leadership advantage, thereby continuously releasing management dividends. **On one hand**, the Group will comprehensively deepen the full-cycle refined project cost management system, continue to implement the “district-based cluster management” model, continuously strengthen supply chain centralised procurement and integration, and tap into the potential of green and energy-saving renovations to achieve intensive sharing of operating resources and optimise the cost foundation. **On the other hand**, the Group will focus on improving labour efficiency in core scenarios. The headquarters will coordinate the top-level design of technological applications, establish a scientific value assessment model for economic feasibility and adaptability, accelerate the pilot and large-scale implementation of robotics, IoT terminals, and AI large language models, making technological applications a key driver for reshaping service processes and breaking through the efficiency bottlenecks of the traditional labour-intensive model.

FINANCIAL REVIEW

Revenue

The Group's revenue is derived from three main business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

The following table sets out a breakdown of the revenue by business line for the periods indicated:

	Year ended 31 December					
	2025		2024			
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %	Growth rate %	
Property management services	13,149,815	76.7	11,674,489	71.4	12.6	
Value-added services to non-property owners	1,636,115	9.6	1,960,103	12.0	-16.5	
Community value-added services	2,340,138	13.7	2,707,720	16.6	-13.6	
Total	17,126,068	100.0	16,342,312	100.0	4.8	

For the year ended 31 December 2025, the total revenue of the Group amounted to approximately RMB17,126.1 million (2024: approximately RMB16,342.3 million), representing an increase of approximately 4.8% as compared to the corresponding period of 2024, which was mainly due to the increase in the revenue of property management services driven by the continuous expansion in the management scale of the Group.

Cost of services

During the year, the cost of services of the Group amounted to approximately RMB14,141.0 million (2024: approximately RMB13,358.0 million), representing an increase of approximately 5.9% as compared to the corresponding period of 2024. The increase in the cost of services was mainly due to the corresponding increase in cost of services as a result of the expansion of GFA under management and the increase in the number of projects under management of the Group.

Gross profit and gross profit margin

The following table sets out a breakdown of the Group's gross profit and gross profit margin by business line for the periods indicated:

	Year ended 31 December					
	2025		2024			
	Gross profit RMB'000	Percentage of gross profit %	Gross profit margin %	Gross profit RMB'000	Percentage of gross profit %	Gross profit margin %
Property management services	1,761,276	59.0	13.39	1,673,449	56.1	14.33
Value-added services to non-property owners	258,570	8.7	15.80	313,967	10.5	16.02
Community value-added services	965,242	32.3	41.25	996,890	33.4	36.82
Total	2,985,088	100.0	17.43	2,984,306	100.0	18.26



For the year ended 31 December 2025, the Group's gross profit was approximately RMB2,985.1 million, representing an increase of approximately 0.03% as compared to approximately RMB2,984.3 million for the corresponding period of 2024. The Group's gross profit margin decreased from approximately 18.26% for the corresponding period of 2024 to approximately 17.43%.

For the year ended 31 December 2025, the Group's gross profit margin for property management services was approximately 13.39% (2024: approximately 14.33%), representing a decrease of approximately 0.94 percentage points as compared to the corresponding period of 2024.

For the year ended 31 December 2025, the Group's gross profit margin for value-added services to non-property owners was approximately 15.80% (2024: approximately 16.02%), representing a decrease of approximately 0.22 percentage points as compared to the corresponding period of 2024.

For the year ended 31 December 2025, the Group's gross profit margin for community value-added services was approximately 41.25% (2024: approximately 36.82%), representing an increase of approximately 4.43 percentage points as compared to the corresponding period of 2024.

Administrative expenses

For the year ended 31 December 2025, the total administrative expenses of the Group were approximately RMB993.4 million, representing a decrease of approximately 11.5% as compared to approximately RMB1,122.0 million for the year ended 31 December 2024. The administrative expenses of the Group accounted for approximately 5.8% (for the year ended 31 December 2024: approximately 6.9%) of the total revenue, representing a decrease as compared to the corresponding period of 2024, which was primarily due to the improved management efficiency and reduced management costs as a result of regional consolidation in management during the period.

Profit for the year

For the year ended 31 December 2025, the profit for the year of the Group was approximately RMB1,567.9 million, representing an increase of approximately 5.3% as compared to approximately RMB1,489.4 million for the corresponding period of 2024. The profit for the year attributable to owners of the Company was approximately RMB1,549.5 million, representing an increase of approximately 5.1% as compared to approximately RMB1,473.9 million for the corresponding period of 2024. The net profit margin was approximately 9.2%, representing an increase of approximately 0.1 percentage points as compared to approximately 9.1% for the corresponding period of 2024.

Current assets, reserves and capital structure

For the year ended 31 December 2025, the Group maintained a sound financial position. As at 31 December 2025, the current assets amounted to approximately RMB15,220.8 million, representing an increase of approximately 11.6% as compared to approximately RMB13,636.0 million as at 31 December 2024. As at 31 December 2025, the cash and bank balances of the Group amounted to approximately RMB12,885.9 million, including cash and cash equivalents of approximately RMB10,709.9 million (among which, approximately RMB20.1 million was denominated in Hong Kong dollar, and remaining was denominated in RMB), and the principal of time deposits of approximately RMB2,176.0 million, representing an increase of approximately 8.6% as compared to approximately RMB11,866.7 million as at 31 December 2024. As at 31 December 2025, the gearing ratio of the Group was approximately 41.2%, remaining unchanged from approximately 41.2% as at 31 December 2024. Gearing ratio represents the ratio of total liabilities over total assets.

As at 31 December 2025, the Group's total equity was approximately RMB10,740.7 million, representing an increase of approximately RMB869.4 million or approximately 8.8% as compared to approximately RMB9,871.3 million as at 31 December 2024, which was primarily due to the contributions from the profits realised in the period.

Property, plant and equipment

The Group's property, plant and equipment primarily include self-use right-of-use assets, buildings, leasehold improvements, computer equipment, electronic equipment, transportation equipment, furniture and equipment. As at 31 December 2025, the Group's property, plant and equipment amounted to approximately RMB249.9 million, representing an increase of approximately RMB10.3 million as compared to approximately RMB239.6 million as at 31 December 2024, which was primarily due to the procurement of assets of the Group during the year.

Leased assets and investment properties

The Group's leased assets and investment properties mainly comprise leased assets, carpark spaces and clubhouses. As at 31 December 2025, the Group's leased assets and investment properties amounted to approximately RMB469.0 million, representing a decrease of approximately RMB260.9 million as compared to approximately RMB729.9 million as at 31 December 2024, which was mainly attributable to the provision for depreciation.

Intangible assets

The Group's intangible assets primarily include property management contracts and goodwill obtained from acquisition of subsidiaries. As at 31 December 2025, the Group's intangible assets amounted to approximately RMB86.4 million, representing a decrease of approximately RMB7.6 million as compared to approximately RMB94.0 million as at 31 December 2024, which was primarily due to the amortisation of property management contracts.

Trade and bills receivables

As at 31 December 2025, trade and bills receivables amounted to approximately RMB3,444.4 million, representing an increase of approximately RMB628.6 million as compared to approximately RMB2,815.8 million as at 31 December 2024, which was primarily due to the increase in trade receivables as a result of the expansion of GFA under management and the increase in the number of projects of the Group.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables primarily include: (i) deposits; (ii) payment on behalf of property owners and residents; (iii) VAT receivables; (iv) interest receivables; and (v) prepayments.

As at 31 December 2025, prepayments, deposits and other receivables amounted to approximately RMB934.2 million, representing an increase of approximately 4.0% as compared to approximately RMB897.9 million as at 31 December 2024, which was mainly due to the increase in receivables relating to bid bond deposits and other deposits.



Trade payables

As at 31 December 2025, trade payables amounted to approximately RMB3,172.4 million, representing an increase of approximately 15.2% as compared to approximately RMB2,754.1 million as at 31 December 2024, which was primarily due to the expansion of the GFA under management of the Group and the continuous increase in the scale of subcontracting to independent third-party service providers.

Accruals and other payables

Accruals and other payables mainly include: (i) deposits; (ii) temporary receipts from property owners; (iii) other tax payables; and (iv) salaries payable.

As at 31 December 2025, accruals and other payables amounted to approximately RMB1,933.0 million, representing a decrease of approximately 3.8% as compared to approximately RMB2,008.4 million as at 31 December 2024, which was mainly due to the accelerated payment progress of deposits.

Borrowings

As at 31 December 2025, the Group had no borrowings or bank loans.

PLEDGE OF ASSETS

As at 31 December 2025, the Group had no pledge of assets.

SIGNIFICANT INVESTMENT, MAJOR ACQUISITION AND DISPOSAL AND FUTURE PLANS

The Group had no significant investment, major acquisition and disposal for the year ended 31 December 2025. In addition, except for the sections headed “Future Development” in “Management Discussion and Analysis” in this report and the expansion plans disclosed in the Company’s announcement on the updated status of the expected timetable on the use of proceeds dated 31 December 2024, the Group did not have any special plans on significant investments, major acquisitions and disposals.

PROCEEDS FROM THE LISTING

The H Shares of the Company were successfully listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on 19 December 2019 with 133,333,400 new H Shares issued and, upon the exercise of the over-allotment options in full, 153,333,400 H Shares were issued in aggregate. Net proceeds from the listing amounted to approximately HK\$5,218.2 million after deducting the underwriting fees and relevant expenses. As of 31 December 2025, the Group had used approximately HK\$4,175.9 million of the proceeds. Such used proceeds were allocated and used in accordance with the use of proceeds as set out in the prospectus dated 9 December 2019, the announcement on the change of use of proceeds from the global offering dated 1 April 2021, the announcement on the further change of use of proceeds from the global offering dated 16 July 2021, the announcement on the updated status of the expected timetable on the use of proceeds dated 30 December 2022, and the announcement on the further change of use of proceeds from the global offering dated 31 December 2024 (the “**Announcement**”) of the Company. The unutilised net proceeds of approximately HK\$1,042.3 million will be allocated and used in accordance with the use and proportions as set out in the Announcement. Details of the specific use are as follows:

Revised use of the net proceeds as stated in the Announcement	Revised percentage of net proceeds as stated in the Announcement %	Net proceeds for revised planned use as stated in the Announcement HK\$ millions	Revised and adjusted net proceeds unutilised as of 31 December 2024 HK\$ millions	Net proceeds actually utilised as of 31 December 2025 HK\$ millions	Revised net proceeds unutilised as of 31 December 2025 HK\$ millions	Expected timetable for utilising the unutilised net proceeds
To pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of the Group's property management and value-added services businesses, which include acquiring or investing in companies engaged in businesses related to property management or value-added services, or forming joint ventures with such companies, and investing in related industrial funds with business collaborative partners	14.5	756.6	553.8	212.6	544.1	On or before 31 December 2027
To further develop the Group's value-added services, which include the development of value-added products and services related to daily scenarios (such as communities, commercial offices and urban management) and assets (such as leasing and sales of properties, parking spaces and shops), the upgrading of hardware and the development of smart community and commercial facilities operation services, and the development of value-added services related to commercial operations such as office buildings	62.5	3,261.4	0.0	3,261.4	0.0	N/A
To upgrade the Group's systems of digitisation and smart management, which include the purchase and upgrading of hardware for building smart terminals and Internet of Things platforms, the construction and development of internal information sharing platforms and databases, the recruitment and development of professional and technical staff and information management teams, and the commencement of R&D for innovative applications related to the Group's business	5.0	260.9	186.8	86.2	174.7	On or before 31 December 2027
Working capital and general corporate purposes	18.0	939.3	419.8	615.7	323.6	On or before 31 December 2027
Total	100.0	5,218.2	1,160.3	4,175.9	1,042.3	

Note: For the avoidance of doubt, any discrepancy between the total and the sum of the respective amounts shown in the table is due to rounding.

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE RISK

The Group conducts its business in Renminbi. Except for the bank deposits and payables denominated in foreign currencies, the Group is not subject to any significant risk relating to foreign exchange rate fluctuation. The management will continue to keep track of the foreign exchange risk and take prudent measures to mitigate exchange rate risk.

H SHARE FULL CIRCULATION

On 14 April 2025, the Company completed the conversion of an aggregate of 193,666,690 domestic shares of the Company (the “**Domestic Shares**”) into H Shares, and the converted H Shares were listed on the Hong Kong Stock Exchange on 15 April 2025. Immediately following the completion of the conversion and listing, the Company had a total of 553,333,400 issued shares, comprising 206,333,310 Domestic Shares and 347,000,090 H Shares. For details, please refer to the Company’s announcement dated 14 April 2025.

SUBSEQUENT EVENTS

The Group did not have significant subsequent events after 31 December 2025 and up to the date of this report.

As of the date of this report, the information of the directors, supervisors and senior management of the Company is as follows:

DIRECTORS

Executive Directors

Ms. Wu Lanyu (吳蘭玉), aged 46, is an executive Director. Ms. Wu joined the Company as Director on 20 June 2018 and was appointed as executive Director on 7 May 2019 and as chairman of the Company on 11 January 2023. Ms. Wu is currently the chairman of each of nomination committee and strategy and sustainability committee of the Board.

Ms. Wu worked as business manager of Poly Developments and Holdings Group Co., Ltd. (“**Poly Developments and Holdings**”), together with its subsidiaries, “**Poly Developments and Holdings Group**”, whose shares are listed on the Shanghai Stock Exchange (stock code: 600048), from June 2005 to August 2005, responsible for investment related work. From September 2005 to February 2008, Ms. Wu served as the officer-in-charge of the sales and marketing department of Guangzhou Science City Poly Property Co., Ltd. (廣州科學城保利房地產開發有限公司), which was a subsidiary of Poly Developments and Holdings and deregistered in October 2016, responsible for sales and marketing. From February 2008 to April 2018, Ms. Wu served as assistant general manager and deputy general manager of Poly (Wuhan) Property Co., Ltd. (保利(武漢)房地產開發有限公司), with her last position responsible for sales and marketing, customer services and property management related work. Ms. Wu had been serving as the general manager of our Company from June 2018 to January 2023 with responsibility of overall operation, management, strategy making and business decision making. Ms. Wu has served as the deputy general manager of Poly Developments and Holdings since August 2025.

Ms. Wu obtained dual bachelor degree of Management and Law, respectively, from Wuhan University of Technology (武漢理工大學) in June 2003, and a master degree of Communication Studies from Huazhong University of Science and Technology (華中科技大學) in June 2005. Ms. Wu is a qualified intermediate economist (economy of real estate) and senior engineer (engineering management).

Mr. Wang Yingnan (王英男), aged 47, is an executive Director and general manager. Mr. Wang was appointed as general manager of the Company on 27 January 2026 and was appointed as executive Director on 13 March 2026. Mr. Wang is currently a member of the strategy and sustainability committee of the Board and holds directorships in certain subsidiaries of the Company.

From 2002 to 2010, Mr. Wang served successively as project manager of Regal Lloyds International Real Estate Consultant (Beijing) Co., Ltd. (華高萊斯國際地產顧問(北京)有限公司) and deputy general manager of Beijing Yahao Real Estate Brokerage Co., Ltd. (北京亞豪房地產經紀有限公司). He joined Poly Developments and Holdings Group in March 2010 and has since held several key positions, including deputy general manager of Poly (Beijing) Real Estate Development Co., Ltd. (保利(北京)房地產開發有限公司); general manager of Heng Fu (Hong Kong) Property Limited (恒福(香港)置業有限公司) and Heng Li (Hong Kong) Property Limited (恒利(香港)置業有限公司); general manager of Poly Southern China Industry Co., Ltd. (保利華南實業有限公司); general manager of the operation management center of Poly Developments and Holdings; as well as chairman of Poly Herun Real Estate Investment Consultancy Co., Ltd. (保利和潤房地產投資顧問有限公司). Mr. Wang currently serves as the executive Director and general manager of the Company.

Mr. Wang obtained a bachelor degree of Engineering from Beijing Broadcasting Institute (currently known as Communication University of China) in July 2001 and a master degree of Business Administration from Tsinghua University in July 2010.

Non-executive Directors

Mr. Liu Ping (劉平), aged 57, is a non-executive Director. Mr. Liu was appointed as non-executive Director on 9 October 2020. He is a member of each of the nomination committee and strategy and sustainability committee of the Board.

Mr. Liu has successively served as the section chief of a branch of the Guangdong Audit Office (廣東省審計廳), the manager of the planning department, the director of the general manager’s office, the assistant to the general manager, the secretary to the board of directors, the deputy general manager and the general manager of Poly Developments and Holdings since 1989. He is currently the chairman and a director of Poly Developments and Holdings, and the chairman and a director of Poly Southern Group Co., Ltd. (“**Poly Southern**”).



Mr. Liu obtained a bachelor degree of Economics from Sun Yat-sen University (中山大學) in June 1989, and is a qualified senior auditor. Mr. Liu is currently a delegate to the Party Congress of Guangdong Province.

Mr. Liu Zhihui (劉智慧), aged 43, is a non-executive Director. Mr. Liu was appointed as non-executive Director on 6 June 2025. He is currently a member of the audit committee of the Board.

Mr. Liu joined Poly Developments and Holdings Group in July 2006, and successively held key positions including the assistant general manager of Poly Southern China Industry Co., Ltd. (保利華南實業有限公司), the general manager of Poly Zhenan Real Estate Development Co., Ltd. (保利浙南房地產開發有限公司), the general manager of Poly (Guangzhou) Tourism Industry Co., Ltd. (保利(廣州)旅遊產業有限公司), the general manager of Poly Developments (Shandong) Co., Ltd. (保利發展(山東)有限公司), and the deputy general manager of the industry management center of Poly Developments and Holdings. Since October 2024, Mr. Liu has served as a full-time external director of subsidiaries of Poly Developments and Holdings.

Mr. Liu obtained a bachelor degree of Architecture from Tongji University (同濟大學) in July 2006.

Independent Non-executive Directors

Mr. Wang Xiaojun (王小軍), aged 71, is an independent non-executive Director. He was appointed as independent non-executive Director on 7 May 2019. He is currently the chairman of remuneration committee, a member of each of audit committee and nomination committee of the Board.

From October 1992 to April 2001, Mr. Wang successively served as an assistant manager in the China Listing Affairs Unit of the Hong Kong Stock Exchange, a solicitor of Richards Butler, an assistant director of Peregrine Capital Limited and a director of ING Barings Securities (Hong Kong) Limited. Mr. Wang had been a partner of Junhe Law Offices. Mr. Wang is currently a principal of WANG & Co. (王小軍律師行) (formerly known as JNJ Partners LLP (王小軍李樂民朱詠思律師行(有限法律責任合夥))). From March 2013 to March 2024, Mr. Wang served as an independent non-executive director of China Aerospace International Holdings Limited (中國航天國際控股有限公司), whose shares are listed on the Hong Kong Stock Exchange (stock code: 00031).

Mr. Wang graduated from the First Branch of Renmin University of China (中國人民大學第一分校) (currently known as Beijing Union University (北京聯合大學)) majoring in Law in July 1983 and obtained a master degree of Laws from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) (currently part of the University of Chinese Academy of Social Sciences (中國社會科學院大學)) in December 1986. Mr. Wang is a qualified lawyer in the PRC, an admitted solicitor in Hong Kong and England and Wales.

Ms. Tan Yan (譚燕), aged 61, is an independent non-executive Director. Ms. Tan was appointed as independent non-executive Director on 7 May 2019. She is currently the chairman of the audit committee, a member of each of the remuneration committee, nomination committee and strategy and sustainability committee of the Board.

Ms. Tan has taught in the accounting major of the School of Business in Sun Yat-sen University (中山大學) for many years. From July 1988 to August 2024, Ms. Tan successively served as teaching assistant, lecturer, associate professor and professor of the School of Business in Sun Yat-sen University. Since December 2020, Ms. Tan has been serving as an independent director of China Southern Power Grid Technology Co., Ltd. (南方電網電力科技股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 688248).

Ms. Tan obtained her bachelor degree in Industrial Financial Accounting from Hunan Institute of Finance and Economics (湖南財經學院) (currently a part of Hunan University (湖南大學)) in July 1985, and obtained her master degree in Accounting from Renmin University of China in July 1988. In July 2004, Ms. Tan obtained her doctorate degree in Accounting from Renmin University of China.



Mr. Zhang Liqing (張禮卿), aged 62, is an independent non-executive Director. Mr. Zhang was appointed as independent non-executive Director on 14 April 2022. He is currently a member of each of the audit committee, remuneration committee, nomination committee and strategy and sustainability committee of the Board.

Mr. Zhang joined the Central University of Finance and Economics in 1987 and is currently a professor at the School of Finance of the Central University of Finance and Economics. He is also a vice president of China Society of World Economics* (中國世界經濟學會) and an executive member of the China International Finance Society* (中國國際金融學會) and the China Modern Financial Society (中國現代金融學會) (formerly known as the China Urban Financial Society (中國城市金融學會)). From October 2020 to June 2024, Mr. Zhang served as an external supervisor of China Minsheng Banking Corp., Ltd., the shares of which are listed on the Shanghai Stock Exchange (stock code: 600016). From December 2020 to October 2024, Mr. Zhang served as an independent non-executive director of E-Star Commercial Management Company Limited, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 06668). From March 2011 to September 2018, Mr. Zhang was an independent director of Poly Developments and Holdings.

Mr. Zhang obtained a bachelor degree of Economics from Renmin University of China (中國人民大學), a master degree of Economics from the Graduate School of the Financial Research Institute of the People's Bank of China (中國人民銀行總行金融研究所) and a doctorate degree of Economics from Renmin University of China in July 1984, November 1988 and January 2003, respectively.

SUPERVISORS

The Company no longer established a supervisory committee, and Ms. Liao Moqiong (廖模瓊), Mr. Yang Haibo (楊海波) and Ms. Mu Jing (穆靜) resigned as supervisors of the Company, all with effect from 29 July 2025. Please refer to the section headed "Supervisory Committee" set out in the "Corporate Governance Report" of this annual report for details.

SENIOR MANAGEMENT

Mr. Liu Long (劉龍), aged 40, is a deputy general manager, secretary of the Board and joint company secretary of the Company. Mr. Liu rejoined the Group in January 2026 and was appointed as a deputy general manager, the secretary of the Board and joint company secretary of the Company.

From July 2010 to February 2013, Mr. Liu worked as a marketing officer in Investment Department of China Resources Land (Hunan) Limited (華潤置地(湖南)有限公司). From February 2013 to November 2020, Mr. Liu successively served as a business manager and deputy manager of investment planning and management department, deputy manager and manager of investment operation department, and manager of investment planning and management department of Hunan Poly Real Estate Development Co., Ltd. (湖南保利房地開發有限公司). Mr. Liu successively served as general manager of operation management center of the Company, assistant general manager and deputy general manager of the Company from November 2020 to June 2025. Mr. Liu served as general manager of Guangzhou Poly International Investment Co., Ltd. (廣州市保利國貿投資有限公司) from June 2025 to January 2026.

Mr. Liu obtained his bachelor degree of Management and master degree of Engineering from Hunan University in June 2007 and June 2010, respectively.

Mr. Zou Fushun (鄒福順), aged 48, is a deputy general manager of the Company. Mr. Zou joined the Group in January 2017 and has been serving as deputy general manager since then.

From May 2004 to January 2012, Mr. Zou successively worked in China Poly Group as an assistant manager in the comprehensive affairs department, responsible for administrative affairs, and a manager in the working department for party and the masses, responsible for the work related with construction of relationship with party and masses. From January 2012 to January 2017, Mr. Zou worked as a deputy general manager of Poly (Chongqing) Investment Industry Co., Ltd. (保利(重慶)投資實業有限公司), responsible for administrative affairs and human resources, assets and property management related works.



Mr. Zou obtained his double bachelor degree majoring in Ethical and Political Education and in Social Work from the China Youth University of Political Studies (中國青年政治學院) (currently part of the University of Chinese Academy of Social Sciences (中國社會科學院大學)) in July 2002 and July 2004, respectively.

Mr. Zhao Binbin (趙斌斌), aged 44, is a deputy general manager of the Company. Mr. Zhao joined the Group in January 2023 and has been serving as deputy general manager since then.

From July 2007 to December 2013, Mr. Zhao successively served as an operation assistant, business manager and deputy manager of the engineering department of Guangdong Poly Real Estate Development Co. Ltd. (廣東保利房地產開發有限公司). From January 2014 to January 2023, he served as a deputy manager of the engineering management center of the headquarter, manager of the standard management department, assistant general manager of the strategic cost center, assistant general manager of the operations management center, assistant general manager of the Yunnan branch, assistant general manager and deputy general manager of operations management center of the headquarter, and deputy general manager of real estate management center of Poly Developments and Holdings.

Mr. Zhao obtained his bachelor degree of Engineering in June 2004 and master degree of Engineering from Guangdong University of Technology in June 2007, respectively. Mr. Zhao is a qualified senior engineer.

Mr. He Jielun (何傑倫), aged 42, is the chief financial officer of the Company. Mr. He joined the Group in March 2022 and was appointed as chief financial officer in April 2022.

From July 2008 to February 2011, Mr. He worked in finance department of Poly Guangzhou Real Estate Development Co., Ltd. (保利廣州房地產開發有限公司). From March 2011 to May 2015, Mr. He worked in Guangdong Poly Real Estate Development Co., Ltd. (廣東保利房地產開發有限公司), and successively served as deputy manager of finance department and investment planning department. From May 2015 to March 2022, Mr. He worked in Poly Developments and Holdings and successively serving as deputy manager and manager of accounting department, assistant general manager of financial management center, assistant general manager and vice general manager of finance center.

Mr. He obtained his double bachelor degree in Management and Law from Wuhan University (武漢大學) in June 2006 and master degree of Management from Sun Yat-sen University in July 2008.

Ms. Zhu Ruijia (朱芮嘉), aged 40, is a deputy general manager of the Company. Ms. Zhu joined the Group in January 2019 and was appointed as deputy general manager in January 2023.

From July 2010 to January 2019, Ms. Zhu successively served as a senior business manager of brand management center, senior manager, deputy manager and manager of customer relationship management department of Poly Developments and Holdings. She served as an assistant general manager of the Company from January 2019 to January 2023.

In June 2008, Ms. Zhu obtained bachelor degree of Arts from Wuhan University (武漢大學), and bachelor degree of Science from Central China Normal University (華中師範大學), respectively. Ms. Zhu obtained master degree of Arts from Peking University (北京大學) in July 2010. Ms. Zhu is a qualified intermediate engineer (engineering management).

JOINT COMPANY SECRETARIES

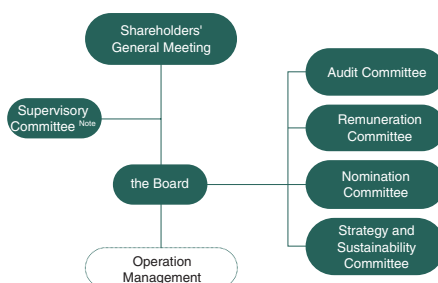
Mr. Liu Long (劉龍), aged 40, was appointed as secretary of the Board and joint company secretary of the Company in January 2026. For details of Mr. Liu's biographical details, please refer to "SENIOR MANAGEMENT" in this section.

Mr. Lau Kwok Yin (劉國賢), aged 40, was appointed as the joint company secretary of the Company in July 2019. Mr. Lau is the vice president of SWCS Corporate Services Group (Hong Kong) Limited. He holds a bachelor degree in Business Administration (Accounting and Finance) from the University of Hong Kong, and is a member of the Hong Kong Institute of Certified Public Accountants, a Chartered Financial Analyst charterholder, and a fellow of each of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

CORPORATE GOVERNANCE STRUCTURE

The Board of the Company is committed to maintaining a high level of corporate governance and believes that good corporate governance is critical to the sustainable development and stable business growth of the Company. Sound corporate governance is put in place to safeguard the interests of shareholders and enhance corporate value.

A clear governance structure has been established by the shareholders' general meeting, the Supervisory Committee^{Note}, the Board and all Board committees of the Company in accordance with the relevant laws, the articles of association of the Company (the **"Articles of Association"**) and their respective terms of reference. The Board and the four Board committees discharge their respective duties and responsibilities and coordinate with each other with effective supervision to continuously improve the corporate governance level of the Company and form a sound corporate governance structure, through which the Company has ensured its standardised operation in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**).



Note: With effect from 29 July 2025, the Company no longer establishes a supervisory committee, and the audit committee of the Board will exercise the functions and powers of the supervisory committee as stipulated in the Company Law of the PRC.

Since 19 December 2019, the Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the **"CG Code"**) contained in Appendix C1 to the Listing Rules. The Company abided by the applicable principles and code provisions during the year ended 31 December 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) as set out in Appendix C3 to the Listing Rules as its own code of conduct governing dealing in securities transactions by the Directors and the supervisors of the Company.

The Company has made specific enquiries with all Directors and the then Supervisors, who have confirmed that they have complied with the relevant securities dealing code for the year ended 31 December 2025 and for the period from 1 January 2025 to 29 July 2025, respectively.

THE BOARD

The Board is accountable to the shareholders' general meeting and is responsible for managing the Group as a whole by formulating the Group's business and management strategies and development direction as well as supervising and controlling operations and financial performance in order to maximise long-term shareholder value. The responsibilities of the Board include but are not limited to: (i) convening shareholders' general meetings and submitting work reports to such meetings; (ii) implementing the resolutions of shareholders' general meetings; (iii) deciding on the Company's operation policies, operation plans and investment plans and investment schemes; (iv) determining the Company's financial budget and final accounts; (v) determining the establishment of the Company's internal management organisations and basic management system; (vi) appointing or removing senior management members and determining their remunerations; and (vii) exercising other responsibilities and powers conferred by relevant laws, regulations and the Articles of Association. The Board delegates certain functions to the management of the Group, and the management is mainly responsible for the implementation of the business plans, strategies and policies adopted by the Board and delegated to it from time to time.



Composition of the Board

Details of the Board composition for the year ended 31 December 2025 and up to the date of this report are as follows:

Executive Directors

Ms. Wu Lanyu (Chairman)

Mr. Wang Yingnan (General manager) (appointed on 13 March 2026)

Mr. Yao Yucheng (General manager) (appointed on 6 June 2025 and resigned on 27 January 2026)

Non-executive Directors

Mr. Liu Ping

Mr. Liu Zhihui (appointed on 6 June 2025)

Mr. Huang Hai (resigned on 31 March 2025)

Independent Non-executive Directors

Mr. Wang Xiaojun

Ms. Tan Yan

Mr. Zhang Liqing

The biographical details of the Directors are set out in the section headed “Directors, Supervisors and Senior Management” in this annual report. None of the members of the Board has any relationship with any other Director and senior management and any of the then Supervisors, including financial, business, family or other material or relevant relationship(s).

Chairman and General Manager

Code provision C.2.1 of the CG Code requires that the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. The Company supports the division of responsibility between the chairman and the general manager in order to ensure a balance of power and authority and preserve a balanced judgment of views. For the year ended 31 December 2025, Ms. Wu Lanyu served as the chairman of the Board of the Company and Mr. Yao Yucheng served as the general manager of the Company. The chairman of the Board presides the Board and gives strategic development advice to the Group. The general manager, who is accountable to the Board, guides the operation management of the Group and is responsible for formulating and implementing the development strategies of the Group, determining business objectives and operational management, and ensuring that the Company has established sound corporate governance practices and procedures.

Independent Non-executive Directors

Independent non-executive Directors play a significant role in the Board by virtue of their independent judgement and their views which carry significant weight in the Board’s decisions. Their extensive experience significantly contributed to enhancing the decision-making of the Board and achieve a sustainable and balanced development of the Group.

For the year ended 31 December 2025, the Board abided by Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive directors to represent at least one-third of the Board and Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors, 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 or her 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

Code provision B.2.2 of the CG Code stipulates 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 (including non-executive Directors) of the Company is engaged for a term of three years or for a term until the expiration of the term of the third session of the Board. When the Directors' terms expire and re-elections are not held in time, the original Directors shall still perform their duties as Directors in accordance with the laws, administrative regulations, departmental rules and the Articles of Association before the newly elected Directors take office. Their reelections shall be subject to the provisions of the Articles of Association.

Each of Mr. Yao Yucheng^(Note), Mr. Liu Zhihui and Mr. Wang Yingnan was appointed as a Director of the Company on 6 June 2025, 6 June 2025 and 13 March 2026, respectively. Pursuant to Rule 3.09D of the Listing Rules, each of Mr. Yao Yucheng, Mr. Liu Zhihui and Mr. Wang Yingnan have obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to them as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange on 28 May 2025, 28 May 2025 and 13 March 2026, respectively.

Note: Mr. Yao Yucheng resigned as a Director of the Company on 27 January 2026.

Nomination Policy

The Company approved the adoption of the relevant nomination policy on 29 November 2019. The nomination committee identifies candidates suitably qualified to become Board members and selects or makes recommendations to the Board on candidates to be nominated for Directors in order to ensure that the Board members possess the skills, experience and diversified perspectives necessary for the business of the Company. The nomination committee will consider the following factors in assessing a candidate, including but not limited to requirements of the Articles of Association, skills, experience and expertise, diversity, commitment, standing and independence.

The procedures for nomination of the Directors of the Company are as follows:

- (i) Subject to the number of Board members specified in the Articles of Association, people who have the right of nomination may propose candidate(s) for the intended number of Directors to be elected.
- (ii) For the purpose of nomination, the chairman of the nomination committee shall convene a meeting of the nomination committee and invite the Board members to provide a name list, if any, to the nomination committee for consideration prior to such meeting. The nomination committee may also put forward candidates who are not nominated by Board members.
- (iii) The nomination committee will conduct a preliminary review on the appointment qualification and condition of the candidates for Directors and the eligible candidates will be reviewed by the Board; upon consideration and approval by the Board, a written proposal regarding the candidates for Directors will be put forward to the shareholders' general meeting; the nomination committee or any other organisation authorised by the Board is responsible for the specific matters related to the election of Directors.
- (iv) In order to provide particulars of the candidates nominated by the Board to stand for election at the shareholders' general meeting and invite shareholders to nominate candidates, the Company will dispatch to its shareholders a circular on which the deadline for shareholders to submit nomination will be specified. Particulars of the candidates will be set out in the circular to be dispatched to the shareholders in accordance with the applicable laws, rules and regulations.
- (v) Until the issue of the shareholder circular, the nominees shall not assume that they have been recommended by the Board to stand for election at the shareholders' general meeting.



DIVERSITY

Board Diversity Policy

The Board of the Company approved the adoption of the Board Diversity Policy, which includes the objectives and the factors to be considered in achieving board diversity. The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and maintaining its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to professional qualifications and industry experience, gender, age, cultural and educational background and length of service. Final decision will be made based on the contributions that the nominees may provide to the Board.

An analysis of the Board composition as at 31 December 2025 is set out in the following charts:

A Professional qualifications and industry experience

Directors	Role	Professional qualifications and industry experience
Ms. Wu Lanyu	Executive Director	Property management, real estate development and sale, corporate governance
Mr. Yao Yucheng ^{Note}	Executive Director	Human resources management, property management, corporate governance
Mr. Liu Ping	Non-executive Director	Real estate development and sale, investment and financing, capital operation, property management, corporate governance
Mr. Liu Zhihui	Non-executive Director	Real estate development and sale, industry management, corporate governance
Mr. Wang Xiaojun	Independent non-executive Director	Legal expert
Ms. Tan Yan	Independent non-executive Director	Financial and accounting expert
Mr. Zhang Liqing	Independent non-executive Director	Finance expert

Note: Mr. Yao Yucheng resigned as a Director of the Company on 27 January 2026.

B Age

Age group	Aged 50 and below	Aged 51-60	Aged 61 and above
Number of Directors	3	1	3

C Gender

Gender group	Male	Female
Number of Directors	5	2

D Length of service of Directors

Length of service	5 years and below	6 to 10 years
Number of Directors	4	3

As at 31 December 2025, female members accounted for 28.57% of the composition of the Board, while the Directors have a wide range of ages and balanced mix of skills and experience. In view of the above, the nomination committee considers that the Company has strictly implemented the Board Diversity Policy. Members of the Board of the Company are of the view that the composition of the Board is in line with the diversity policy in terms of gender, age, professional qualification, skills and knowledge. The nomination committee will review the relevant policy on an annual basis to ensure its effectiveness and make recommendation to the Board on any amendments to the policy as and when necessary.

Diversity of Staff and Senior Management

The Group has established and continued to improve our employment system, to offer equal employment opportunities for all kinds of talents, as well as continuing training programmes and career development opportunities for our staff (for details, please refer to the 2025 Environmental, Social and Governance Report of the Company). At the same time, the Company strives to establish a gender-balanced management team. As at the date of this report, female members accounted for 20% of the total number of senior management. An analysis of composition of the employees and senior management is set out in the following charts:

A Employees (as at 31 December 2025)

Age Group	Aged 30 and below	Aged 31-50	Aged 51 and above
Proportion	27%	61%	12%

Gender Group	Male	Female
Proportion	57%	43%

B Senior Management (as at the date of this report)

Age Group	Aged 40 and below	Aged 41-45	Aged 46 and above
Number	2	2	1

Gender Group	Male	Female
Number	4	1

BOARD COMMITTEES

As at 31 December 2025, the Company has established four Board committees, namely the audit committee, the remuneration committee, the nomination committee and the strategy and sustainability committee. The Board committees of the Company are established with specific written terms which state clearly their authority and duties. The terms of reference of each of the Board committees are posted on the website of the Company (www.polywuye.com) and the designated website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Audit Committee

As at 31 December 2025, our audit committee comprises four members, namely Ms. Tan Yan (independent non-executive Director), Mr. Liu Zhihui (non-executive Director), Mr. Wang Xiaojun (independent non-executive Director) and Mr. Zhang Liqing (independent non-executive Director). Ms. Tan Yan is the chairman of our audit committee.



The responsibilities of our audit committee include but are not limited to:

- exercising the functions and powers of the supervisory committee as stipulated in the Company Law of the PRC;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- reviewing the Company's financial information;
- monitoring the integrity of the Company's financial statements, annual reports and accounts and half-year reports and reviewing significant financial reporting judgments contained therein;
- overseeing the Company's financial reporting system, risk management and internal control systems; and
- undertaking the Company's corporate governance functions.

For the year ended 31 December 2025, the audit committee held six meetings, with major works including: (i) reviewing and discussing the annual audit scheme; (ii) reviewing and discussing the 2024 financial report and 2025 interim financial report; (iii) considering and proposing to the Board the change of independent external auditor; (iv) reviewing and discussing the continuing connected transactions of the Group; (v) reviewing and discussing the internal control report, and reviewing the risk management and internal control systems of the Group; and (vi) reviewing and discussing matters such as the non-fulfillment of the unlocking conditions for the third tranche of the Initial Grant Proposal of the First Phase Restricted Share Incentive Scheme. Please refer to the section headed "Meetings of the Board and the Board Committees" below for the attendance records of the members of the audit committee.

Remuneration Committee

As at 31 December 2025, our remuneration committee comprises three members, namely Mr. Wang Xiaojun (independent non-executive Director), Ms. Tan Yan (independent non-executive Director) and Mr. Zhang Liqing (independent non-executive Director). Mr. Wang Xiaojun is the chairman of the remuneration committee.

The responsibilities of our remuneration committee include but are not limited to:

- examining the remuneration policy and structure for Directors and senior management and making recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy;
- reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives established by the Board;
- monitoring the implementation of the remuneration policy for Directors and senior management; and
- reviewing/approving matters relating to share schemes under Chapter 17 of the Listing Rules.

For the year ended 31 December 2025, the remuneration committee held five meetings, and reviewed and fulfilled the above duties together with matters including (i) the remuneration of Directors, the then Supervisors and senior management; (ii) the unlocking of first grant and reserved grant of restricted shares (the "**Restricted Shares**") under the Initial Grant Proposal of the First Phase Restricted Share Incentive Scheme; and (iii) the non-fulfillment of the unlocking conditions for the third tranche under the Initial Grant Proposal of the First Phase Restricted Share Incentive Scheme. Please refer to the section headed "Meetings of the Board and the Board Committees" below for the attendance records of the members of the remuneration committee.

Nomination Committee

As at 31 December 2025, our nomination committee comprises five members, namely Ms. Wu Lanyu (executive Director), Mr. Liu Ping (non-executive Director), Mr. Wang Xiaojun (independent non-executive Director), Ms. Tan Yan (independent non-executive Director) and Mr. Zhang Liqing (independent non-executive Director). Ms. Wu Lanyu is the chairman of our nomination committee.

The responsibilities of our nomination committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the corporate strategy;
- identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for Directors;
- assessing the independence of independent non-executive Directors;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman, chief executive and general manager;
- reviewing the Board diversity policy and any measurable objectives set by the Board for the Board diversity policy from time to time, and progress of achieving those objectives; and
- reviewing the nomination procedures and the criteria to select and recommend candidates for Directors.

For the year ended 31 December 2025, the nomination committee held two meetings, and reviewed and fulfilled the above duties together with matters including the (i) annual review of the structure of the Board and implementation of its diversity policy; (ii) annual assessment of the independence of the independent non-executive Directors; and (iii) proposed election of Directors. Please refer to the section headed “Meetings of the Board and the Board Committees” below for the attendance records of the members of the nomination committee.

Strategy and Sustainability Committee

As at 31 December 2025, our strategy and sustainability committee comprises five members, namely Ms. Wu Lanyu (executive Director), Mr. Yao Yucheng (executive Director), Mr. Liu Ping (non-executive Director), Ms. Tan Yan (independent non-executive Director) and Mr. Zhang Liqing (independent non-executive Director). Ms. Wu Lanyu is the chairman of our strategy and sustainability committee.

The responsibilities of our strategy and sustainability committee include but are not limited to:

- conducting studies and making recommendations to the Board on strategic plans for long-term development;
- conducting studies and making recommendations on major investment and financing proposals, major capital operations and asset operation projects that are required by the Articles of Association to be approved by the Board and the shareholders’ general meeting;
- developing and reviewing the Company’s environmental, social and governance (“ESG”) objectives and plans, overseeing the policies and measures adopted by the Company to achieve them and making recommendations to the Board; and
- reviewing the annual ESG report to ensure its accuracy, completeness and continuous improvement in disclosure quality, and making recommendations to the Board.



For the year ended 31 December 2025, the strategy and sustainability committee held one meeting, and reviewed and fulfilled the above duties together with matters including the 2025 Environmental, Social and Governance Report. Please refer to the section headed “Meetings of the Board and the Board Committees” below for the attendance records of the members of the strategy and sustainability committee.

Meetings of the Board and the Board Committees

The Board shall conduct at least four regular meetings each year, which are to be convened by the Chairman of the Board. All Directors, Supervisors and the general manager 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 secretary of the Board is responsible for collecting proposals of the meetings and reviewing the form of such proposals, and then turning them into formal resolutions.

In accordance with the second part of code provision C.5.8 of the CG Code, for regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers should be sent, in full, to all directors. These should be sent in a timely manner and at least three days before the intended date of a board or board committee meeting (or other agreed period). All other meetings of the Board should also adopt the above arrangements where practicable.

The following table sets out the attendance of each of our Directors at the meetings of the Board and the Board committees and shareholders’ general meetings during the year:

Directors	Number of meetings attended/convened					
	Board meeting	Audit committee meeting	Remuneration committee meeting	Nomination committee meeting	Strategy and Sustainability Committee meeting	Shareholders’ general meeting
Ms. Wu Lanyu	10/10	N/A	N/A	2/2	1/1	4/4
Mr. Yao Yucheng ^{Note}	6/6	N/A	N/A	N/A	0/0	2/2
Mr. Liu Ping	10/10	N/A	N/A	2/2	1/1	0/4
Mr. Liu Zhihui ^{Note}	6/6	4/4	N/A	N/A	N/A	2/2
Mr. Huang Hai ^{Note}	3/3	1/1	N/A	N/A	1/1	0/1
Mr. Wang Xiaojun	10/10	6/6	5/5	2/2	N/A	4/4
Ms. Tan Yan	10/10	6/6	5/5	2/2	1/1	4/4
Mr. Zhang Liqing	10/10	6/6	5/5	2/2	1/1	4/4

Note: On 31 March 2025, Mr. Huang Hai resigned from the positions of Director, member of audit committee and strategy and sustainability committee. On 6 June 2025, Mr. Yao Yucheng was appointed as a Director and member of the strategy and sustainability committee. On 6 June 2025, Mr. Liu Zhihui was appointed as a Director and member of the audit committee. The number of meetings convened is based on the tenure of Directors.

Directors' Training and Development

Directors' training is conducted on an ongoing basis. The Company provides training and information to each of the Directors to ensure that the Directors have an adequate understanding of the operation and business of the Group and to strengthen their awareness of the duties and responsibilities of their respective roles under the Listing Rules and the relevant statutory requirements. Continuous training allows the Directors to keep abreast of the existing trends and important issues faced by the Group and enables the Directors to update their knowledge and skills necessary for the performance of their duties. The Company will invite external experts to share professional knowledge in a timely manner so that the Directors could learn more about the recent market trends and development.

During the year ended 31 December 2025, all Directors had been provided with trainings regarding standardised governance of a listed company, duties and responsibilities of a Director, connected transactions, management and disclosure of insider information, risk management and internal control, corporate governance for the Board and Directors and relevant laws and regulations applicable to the Directors, and had read materials concerning the Company's business and the authority and duties of a Director.

The following table sets forth the training received by the Directors during the year:

Directors	Attending seminars or joining continuing professional training	Reading materials related to regulation and governance (newspaper, publication or information)
Ms. Wu Lanyu	Yes	Yes
Mr. Yao Yucheng ^{Note}	Yes	Yes
Mr. Liu Ping	Yes	Yes
Mr. Liu Zhihui ^{Note}	Yes	Yes
Mr. Huang Hai ^{Note}	N/A	Yes
Mr. Wang Xiaojun	Yes	Yes
Ms. Tan Yan	Yes	Yes
Mr. Zhang Liqing	Yes	Yes

Note: Mr. Huang Hai resigned as a Director of the Company on 31 March 2025. Mr. Yao Yucheng and Mr. Liu Zhihui were appointed as Directors of the Company on 6 June 2025.

Emolument of Senior Management

For the year ended 31 December 2025, the emolument bands of the senior management of the Company (excluding the Directors) are as follows:

Emolument bands (RMB)	Number
1-1,000,000	1
1,000,001-1,500,000	5

Note: Among which, two of the senior management resigned in June 2025 and January 2026, respectively.



SUPERVISORY COMMITTEE

Abolishment of the Establishment of the Supervisory Committee

According to the Company Law of the PRC which came into effect on 1 July 2024, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee comprised of directors under the board of directors to perform the functions of the supervisory committee, instead of establishing the supervisory committee. Following the approval by the shareholders of the Company at the second extraordinary general meeting of 2025 in respect of the amendments to the Articles of Association, the supervisory committee has been abolished by the Company since 29 July 2025, and the functions of the supervisory committee as stipulated by the Company Law will be performed by the audit committee of the Board. Each member of the supervisory committee has confirmed that there is no disagreement with the supervisory committee, and there is no other matter relating to his/her resignation as a supervisor that needs to be brought to the attention of the shareholders and the Hong Kong Stock Exchange.

For details, please refer to the Company's announcement dated 8 July 2025, the circular of the shareholders' general meeting dated 11 July 2025 and the announcement on poll results of the shareholders' general meeting dated 29 July 2025.

Members of the Supervisory Committee and Changes in the Members during the Reporting Period

The Supervisors of the Company during the period from 1 January 2025 to 29 July 2025 include:

Ms. Liao Moqiong (*Chairman*)
Mr. Yang Haibo
Ms. Mu Jing

Note: The supervisory committee of the Company was abolished with effect from 29 July 2025, and all the Supervisors resigned on 29 July 2025.

Major Work of the Supervisory Committee in 2025

During the term of office in 2025, the supervisory committee, in accordance with the requirements of the Listing Rules, the Articles of Association and the Rules of Procedure of the Supervisory Committee, and in the spirit of being accountable to the shareholders, all then Supervisors conscientiously fulfilled their duties and obligations through various means, including convening meetings of the supervisory committee, attending shareholders' general meetings and Board meetings. They examined the Company's financial accounts and supervised the Company's management and operational status, the implementation of resolutions of the shareholders' general meetings, and the compliance by the Directors and management with laws, administrative regulations and the Articles of Association when exercising their respective duties.

During the period from 1 January 2025 to 29 July 2025, the Company has convened three meetings of the supervisory committee. The then Supervisors carefully reviewed meeting materials and fully studied and discussed the proposals before attending the meetings of the supervisory committee. They attended all meetings of the supervisory committee in person and earnestly performed supervisory duties. Details are as follows:

Name	Type of Supervisor	Number of meetings attend/convened	Attendance rate
Ms. Liao Moqiong (<i>Chairman</i>)	Shareholder Representative Supervisor	3/3	100%
Mr. Yang Haibo	Shareholder Representative Supervisor	3/3	100%
Ms. Mu Jing	Employee Representative Supervisor	3/3	100%

CORPORATE GOVERNANCE FUNCTIONS

The audit committee undertakes the daily operation of the Company's corporate governance functions, which include but are not limited to: (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of the Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Company has established and adopted a whistleblower policy in accordance with code provision D.2.6 of the CG Code, and adopted rules that promote and support anti-corruption and bribery laws and regulations in accordance with code provision D.2.7 of the CG Code (for details, please refer to the 2025 Environmental, Social and Governance Report of the Company).

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code. Pursuant to code provision B.1.4 of the CG Code, the Company has established internal policies and mechanisms (including but not limited to the Articles of Association, the Policy on Nomination of Directors, the Terms of Reference of the Nomination Committee, and the Work Programme on Performance Security for External Directors) to ensure that the Board has access to independent views and opinions, which cover the selection criteria, election and appointment procedures of the Directors (including the independent non-executive Directors), the mechanism for the Directors abstaining from voting on relevant motions to be considered by the Board, and the ability of the Directors to seek independent professional advice to perform their duties in accordance with the Company's policies when necessary. In addition, the Board comprises three independent non-executive Directors who play an important role in the Board by virtue of their independent background, judgement and views. The Company will review the implementation and effectiveness of the above mechanisms annually to ensure that the Board is provided with independent views and opinions.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is of the view that effective risk management and internal control are integral and indispensable to the Group's achievement of long-term business growth and sustainable development. The purpose of establishing the risk management and internal control framework is to manage and mitigate the Group's exposure to business risks to the extent acceptable, rather than to eliminate the risk of failure to achieve business objectives, and to be able to only provide reasonable and not absolute assurance against material misstatement or loss.

The Group adopts multi-layered management for its comprehensive risk management works. Such framework includes the Board, audit committee, operation management of the Group, management at the headquarters of the Group and its subsidiaries, and auditing management centre.

- The Board (the decision-making level) guides the Group's comprehensive risk management works and is the ultimate decision-making body regarding the major risks arising from the comprehensive risk management. It is responsible for evaluating and determining the nature and level of risks that the Group is willing to accept for achieving its strategic objectives, and ensuring that the Group establishes and maintains suitable and effective risk management and internal control systems. It is held accountable for the effectiveness of the comprehensive risk management.
- Audit Committee (the decision-making level) is responsible for overseeing the risk management system and internal control system of the Group and discussing with the management about the risk management and internal control systems to ensure that the management has performed their duties to establish effective systems.
- Operation Management of the Group (the leading level) makes decision over general risk management matters and conducts preliminary review on material risk management matters under the authorisation of the Board.



- Management at the Headquarters of the Group and its subsidiaries (the implementation level) is responsible for the identification, evaluation, report analysis and handling work for comprehensive risk management, with specific actions to be taken by the legal department of the Company; is responsible for pushing forward and implementing specific risk management measures, monitoring various risks of the business, and promptly reporting risk information to the operation management at the Group's headquarters.
- Auditing Management Centre (the supervision level) is responsible for establishing a sound supervision and evaluation system of comprehensive risk management, formulating a supervision and evaluation system for each of the Group's centers and subsidiaries to facilitate supervision and evaluation, issuing supervision and evaluation audit reports and arranging inspection and audit in respect of the internal control system, and conducting independence assessment through internal audit.

According to systems of organisational risk management and internal monitoring, the Group has achieved dynamic monitoring of major risks in key areas by implementing the work of various links of risk management. The detailed process is set out in the figure below:



Risk Management and Internal Control of the Company for the Year

Guided by the “14th Five-Year Plan” development strategy and the main line of work for the year, the Group has fostered coordinated efforts across its three lines of defence “business unit, functional supervision, and additional oversight”, and dynamically optimised the Company’s risk management system by perfecting policies, optimising processes, and strengthening supervision, etc. The specific work carried out includes: focusing on systematic policy development and optimisation, with over 200 policies revised and improved throughout the year to continuously enhance their timeliness, adaptability, comprehensiveness, and compliance; continuously advancing the establishment of the “Harmony Courtyard Dandelion” legal education column, solidly implementing production safety education and training, which covers over 3 million property owners, fostering a proactive compliance culture, and reinforcing risk prevention capabilities of frontline positions. The Company launched a “Special Operation for the Improvement of Drainage Systems” and a “Special Operation for the Improvement of Electric Bicycles and Fire Risk Management”, driving production safety and dynamic joint prevention of risks through targeted actions, and providing a solid safety guarantee. Meanwhile, on the basis of the existing risk database, the Company conducted in-depth risk analyses in collaboration with the first and the second lines of defense, and released a “Compliance Management List” to specify and list out risk management requirements and embed them into key areas, thereby promoting a full-chain management process covering risk early warning, process control, and accountability. These measures have improved the risk prevention and control mechanism in key areas, thereby further elevating the Company’s overall risk management.

During 2025, to further enhance its governance efficiency and risk prevention capabilities while supporting the achievement of its business objectives, the Company systematically advanced the development of its internal control system with reference to the requirements under the “Basic Standards for Corporate Internal Control” and the complementary guidelines thereof and updated the “Management Measures for Internal Control”. During the fourth quarter of 2025, the Company carried out a management review on the internal control status (including the design and implementation of policies) of each functional centre (office), platform company, business division, and professional company. Adhering to the principles of “being problem-oriented, implementing systematic measures, and addressing both symptoms and root causes”, the Company organised the formulation of practical rectification plans and assigned rectification tasks and responsibilities.

The risk and internal control assessment for the year 2025 was reviewed by the audit committee. The Board, through the audit committee, has reviewed the special reports and is of the view that the risk management (including but not limited to environmental, social and governance-related risks) and internal control systems and procedures of the Group for the year ended 31 December 2025 were effective and adequate, and the Board will continue to strengthen its corporate risk management framework and the procedures and implementation of risk control.

The Board confirmed that the Company's risk management and internal control systems have adequate resources and professional and experienced employees for the accounting, internal audit and financial reporting functions, as well as the Company's environmental, social and governance performance and reporting, and the training programs and relevant budgets received by the employees are sufficient.

Procedures for Handling and Dissemination of Inside Information

The Company has adopted the inside information management and disclosure policy in accordance with the Securities and Futures Ordinance (the “SFO”) and the Listing Rules and established the “Information Disclosure Management Rules” and the “Insider Information and Insider Management System” to make the relevant information disclosure on a timely basis. For information that is difficult to keep confidential, the Company will make disclosure to the public as soon as practicable to effectively safeguard the interests of investors and stakeholders.

CORPORATE CULTURE

Poly Property promotes the “Spark” corporate culture and positions itself as a “National Force in the Era of Comprehensive Property”. Taking “insisting on the achievement of customers and employees, insisting on quality to win the market, and insisting on innovation to lead development” as its core value, the Company deeply integrates the service ethos into its operations. With a client-centric approach, the Company continuously enhances its service quality. The Company advocates the corporate spirit of “believing yourself, doing your best, and aiming far ahead”. Under the exemplary leadership of the “First Positions” across all organisations, the service passion and the sense of mission among all employees have been inspired. In 2025, the Company initiated the “Spark CARE+” special initiative, implementing a series of measures covering employee care, motivation, and ecosystem development, thereby ensuring that care is heartfelt, contributions are reciprocated and the ecosystem is safeguarded. In terms of care, the Company carried out “high-quality development project in counties, towns, and villages (百千萬工程)” to standardise basic employee protections, and launched the “Service Providers Alliance Care Actions (服務者聯盟關懷行動)” to deliver diverse and location-specific cares. In terms of motivation, the Company introduced certification-based incentives to achieve winning multiple rewards with multiple skills, implemented star-rated evaluations for employees to realise gaining higher rewards with higher skills, and established the “Spark Shining Stars (星火光耀者)” honour system, enabling capable employees to gain due recognition and prestige. In terms of ecosystem, through measures such as “inviting top leaders to deliver culture lectures, providing interpretation for the service culture, selecting behavioral guidelines for the first positions, and taking zero-based burden reduction actions for frontline employees”, the Company optimised its governance of the frontline and grassroots ecosystem.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2025 in order to give a true and fair view of the affairs of the Company and the Group and results and cash flows of the Group.

The operation management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The Directors are not aware of any material uncertainties which may cast significant doubt upon the Group's ability to continue as a going concern. The statement by the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Company is set out in the “Independent Auditor's Report” in this annual report.



REMUNERATION OF AUDITOR

For the year ended 31 December 2025, the remuneration paid by the Company to the auditor in respect of audit and non-audit services during the year amounted to RMB3.25 million. Specific analysis is set out as follows:

Services Provided by Auditor	Amount RMB million
– Audit services	2.75
– Non-audit services	0.5

JOINT COMPANY SECRETARIES

As at 31 December 2025, both Mr. Yin Chao, the secretary of the Board of the Company, and Mr. Lau Kwok Yin of SWCS Corporate Services Group (Hong Kong) Limited, which is an external service provider, served as the joint company secretaries of the Company. During the reporting period, the main contact person of Mr. Lau in the Company was Mr. Yin. Mr. Yin and Mr. Lau had participated in no less than 15 hours of relevant professional training for the year ended 31 December 2025.

Mr. Liu Long was appointed as the secretary of the Board and the joint company secretary of the Company on 27 January 2026, and Mr. Yin Chao resigned as the secretary of the Board and the joint company secretary of the Company on 27 January 2026.

SHAREHOLDERS' RIGHTS

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

Convening of the Extraordinary General Meeting

Shareholders individually or jointly holding 10% or more of the shares carrying voting rights at the meeting sought to be held may sign one or more written requests of identical form of content requesting the Board to convene an extraordinary general meeting and stating the subject of the meeting. If the Board fails to issue a notice of convening such meeting within 30 days upon receipt of the above written request, the shareholders who made such request may request the audit committee of the Board to convene the extraordinary general meeting. If the audit committee of the Board fails to issue a notice of convening such meeting within 30 days upon receipt of the above written request, shareholders, for more than 90 consecutive days, individually or jointly holding 10% or more of the shares carrying voting rights at the meeting sought to be held, may convene the meeting of their own accord within four months upon the Board of Directors having received such request. The convening procedures shall, to the greatest extent possible, be identical to procedures according to which shareholders' general meetings are to be convened by the Board. All reasonable expenses incurred for such meetings convened by the shareholders as a result of the failure of the Board and the audit committee of the Board to convene a meeting at the above requests shall be borne by the Company.

Putting Forward Resolutions at Shareholders' General Meetings

Shareholders who individually or jointly hold 1% or more of the shares of the Company carrying voting right, shall be entitled to make proposals in writing to the Company and the convener ten days before the convening of the shareholders' general meeting. The content of the proposal shall fall within the scope of duties and powers of shareholders' general meeting, with clear issues and specific resolutions, and comply with the relevant provisions of laws and regulations and the Articles of Association. The Company shall make the matters within the scope of duties and powers of the shareholders' general meeting listed in the agenda of this meeting and submit the matters to the shareholders' general meeting for consideration. Shareholders may send written advices to the Company by the following means:

Address: Poly Property Services Co., Ltd.
48-49/F, Poly Plaza, No. 832 Yue Jiang Zhong Road, Hai Zhu District, Guangzhou, Guangdong Province,
the PRC
Email: stock@polywuye.com

Enquiries to the Board

The Company maintains a website (www.polywuye.com) where information on the Group's businesses and projects, key corporate governance policies and announcements, financial reports and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company by the following means:

Address: Poly Property Services Co., Ltd.
48-49/F, Poly Plaza, No. 832 Yue Jiang Zhong Road, Hai Zhu District, Guangzhou, Guangdong Province,
the PRC
Tel: (86) 20 8989 9959
Email: stock@polywuye.com

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board of the Company has approved the adoption of the Shareholders Communication Policy and the Investor Relationship Management Measures. The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company has established various and a wide range of communication channels with shareholders. These include shareholders' general meetings, annual results and interim results, annual reports and interim reports, announcements and circulars and results announcement. In addition, the Company updates its website from time to time to keep the shareholders updated of the latest information of Company's recent development. The Company endeavours to maintain an ongoing dialogue with shareholders. At the annual general meeting, the Directors (or their delegates as appropriate) are available to meet with the shareholders and answer their enquiries.

For the year ended 31 December 2025, the Company has strictly implemented the Shareholders Communication Policy and the Investor Relationship Management Measures in accordance with relevant requirements by conducting multi-channel communications with shareholders and investors through various methods, including the issuance of communication documents (such as announcements and regular reports), updating the Company website, and convening results announcements, investors' conferences and shareholders' general meetings, etc. In view of the above, the Company has reviewed the implementation and effectiveness of the Shareholders Communication Policy during the year, and considered the policy effective.



DIVIDEND POLICY

The Company approved the adoption of the relevant dividend policy on 29 November 2019. The Company's dividend policy allows the shareholders to share the Company's profits and retains sufficient reserves for the Company's future development. Subject to the shareholders' approval and relevant laws, the Company shall pay annual dividends to the shareholders if there is stable profit and a stable operating environment of the Company and no significant investment or capital contribution is made by the Group. The Board may from time to time distribute to the shareholders interim dividends. In addition, the Board may declare special dividends as and when it deems appropriate.

For details of the dividend distribution for the year ended 31 December 2025, see the section headed "Results and Appropriations" in the "Report of the Board of Directors" of this annual report.

The Board is not aware that any shareholder has waived or agreed to waive any dividends.

ARTICLES OF ASSOCIATION

The Articles of Association of the Company were revised upon consideration and approval by the shareholders' general meetings held on 7 January 2025 and 29 July 2025. For details of the amendments of the Articles of Association of the Company, please refer to the announcements and circulars dated 13 December 2024, 23 December 2024, 8 July 2025 and 11 July 2025. The latest version of the Articles of Association is available for inspection at the website of the Company (www.polywuye.com) and the designated website of the Hong Kong Stock Exchange (www.hkexnews.hk).

The Board of the Company is pleased to present the annual report and audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL BUSINESS

The Group is primarily engaged in the provision of property management services, value-added services to non-property owners and community value-added services.

BUSINESS REVIEW

The business review of the Group for 2025 and a discussion of the Group's future business development and its major risks and uncertainties are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2025 and the consolidated statements of financial position as at 31 December 2025 of the Group are set out in the consolidated financial statements on pages 80 to 82 in this annual report.

RESULTS AND APPROPRIATIONS

Profits for the year attributable to owners of the Company for the year ended 31 December 2025 amounted to approximately RMB1,549.5 million (2024: RMB1,473.9 million). During the year ended 31 December 2025, dividend of RMB737,040,089 (tax inclusive) in respect of 2024 was declared and paid by the Company to all its shareholders.

The Board proposed the distribution of an annual dividend of RMB1.401 per share (tax inclusive) for the year ended 31 December 2025, with the total amount of proposed dividend distribution representing 50.0% of the profit for the year attributable to owners of the Company. The dividend distribution plan shall be subject to the approval of the shareholders of the Company at the annual general meeting to be held on 29 May 2026 (the "**2025 AGM**") and the dividend is expected to be paid on or before 15 July 2026. The proposed annual dividend will be declared in Renminbi and paid in Hong Kong dollars or Renminbi, the exchange rate of which will be calculated based on the average exchange rate of Renminbi against Hong Kong dollars published by the People's Bank of China five business days prior to the 2025 AGM (details will be disclosed in the announcement of poll results of the 2025 AGM).



TAX ON DIVIDENDS

Pursuant to the Enterprise Income Tax Law of the PRC 《中華人民共和國企業所得稅法》 which came into effect on 1 January 2008, and amended on 24 February 2017 and 29 December 2018, the Provision for Implementation of the Enterprise Income Tax Law of the PRC 《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 amended on 23 April 2019 and 6 December 2024, 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, where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, 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 annual dividend as enterprise income tax, distribute the annual dividend to non-resident enterprise shareholders whose names appear on the H Share register of members of the Company, i.e. any shareholders who hold H Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or H Shareholders registered in the name of other organisations 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 the 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).

On 28 June 2011, the State Administration of Taxation promulgated the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han 2011 No.348) 《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) (the “**No. 348 Circular**”). Pursuant to the No. 348 Circular, foreign resident individual shareholders holding the shares of a domestic non-foreign-invested enterprise is entitled to the relevant preferential tax treatments pursuant to the provisions in the tax treaties between the country(ies) in which they are domiciled and the PRC, and the tax arrangements between the PRC and Hong Kong or Macau. Pursuant to the No. 348 Circular, individual income tax at a tax rate of 10% may in general be withheld in respect of the dividend and bonus to be distributed by the domestic non-foreign-invested enterprises whose shares have been issued in Hong Kong, without the need to make any application for preferential tax treatments. However, the tax rate for each foreign resident individual shareholder may vary depending on the relevant tax treaties between the country(ies) of their domicile and the PRC.

Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (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)) and the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-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)), for dividends and bonus received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through southbound trading, the company of such H shares shall withhold individual income tax at the rate of 20% on behalf of the investors. For dividends and bonus received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through southbound trading, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold the income tax for dividends and bonus on behalf of domestic enterprise investors and those domestic enterprise investors shall declare and pay the relevant tax themselves.

CLOSURE OF THE REGISTER OF MEMBERS

For the purpose of determining the shareholders' eligibility to attend and vote at the 2025 AGM (and the adjourned meeting thereof), the H Share register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order for the H Shareholders to qualify for attending and voting at the 2025 AGM, all properly completed share transfer forms together with the relevant H Share certificates shall 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 not later than 4:30 p.m. on Friday, 22 May 2026. Shareholders whose names appear on the register of members of the Company on Friday, 29 May 2026 are entitled to attend and vote at the 2025 AGM.

For the purpose of determining the identity of the shareholders entitled to the annual dividend in respect of the year ended 31 December 2025, the H Share register of members of the Company will be closed from Thursday, 4 June 2026 to Friday, 5 June 2026, both days inclusive, during which period no transfer of H Shares will be registered. For entitlement to the above annual dividend, all share certificates together with the share transfer forms shall 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 not later than 4:30 p.m. on Wednesday, 3 June 2026. Shareholders whose names appear on the register of members of the Company on Friday, 5 June 2026 are entitled to receive the above proposed annual dividend.

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 are set out in note 27 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

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 27 and note 31 to the consolidated financial statements and the section headed "Consolidated Statement of Changes in Equity" in this annual report.

As at 31 December 2025, the Company's aggregate amount of reserve available for distribution to equity shareholders was approximately RMB4,111.3 million.

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 13 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 15 to the consolidated financial statements.

BORROWINGS

As at 31 December 2025, the Group had no borrowings or bank loans.

PLEDGE OF ASSETS

As at 31 December 2025, the Group had no pledge of assets.

DIRECTORS' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS

Directors' emoluments and the five highest paid individuals' remuneration of the Group for the year ended 31 December 2025 are set out in note 10 to the consolidated financial statements of the Group.

The emoluments of the Directors and senior management were subject to the confirmation by the remuneration committee of the Company. The Company strictly abided by the requirements under the relevant standards and policies of the Company with regard to the emoluments of the Directors and senior management. Directors' emoluments (including salaries and other benefits) were recommended by the remuneration committee of the Company to the Board for approval upon taking into account factors such as the Group's business results and Directors' performance and responsibilities.



RETIREMENT BENEFIT SCHEME

Details of retirement benefit scheme of the Group are set out in note 3.2 to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the business results and of the assets and liabilities of the Group for the past five financial years is set out in the section headed “Five Year Financial Summary” in this annual report.

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

For 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).

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the shareholders of the Company due to their holding of the Company’s securities.

MEMBERS OF THE BOARD AND CHANGES DURING THE REPORTING PERIOD

The Directors of the Company for the year ended 31 December 2025 and up to the date of this report include:

Ms. Wu Lanyu (Chairman)

Mr. Wang Yingnan (General Manager) (appointed on 13 March 2026)

Mr. Liu Ping

Mr. Liu Zhihui (appointed on 6 June 2025)

Mr. Wang Xiaojun

Ms. Tan Yan

Mr. Zhang Liqing

Mr. Huang Hai (resigned on 31 March 2025)

Mr. Yao Yucheng (General Manager) (appointed on 6 June 2025 and resigned on 27 January 2026)

INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all of the independent non-executive Directors have met the independence requirement.

DIRECTORS’ AND SUPERVISORS’ SERVICE CONTRACTS

Each of the Directors and the then Supervisors has entered into a service contract with the Company.

The term of office of the third session of all Directors is effective from their respective appointment dates until the next session of the Board is elected at the annual general meeting (for details, please refer to the announcement of the Company dated 31 March 2026). On 29 July 2025, the Company abolished its Supervisory Committee and all the then Supervisors resigned.

As of 31 December 2025, none of the Directors or the then Supervisors had entered into any service contract with the Company which was not determinable by the Company within one year without payment of compensation other than statutory compensation.

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

None of the Directors or the then Supervisors nor any entity connected with the Directors or the then Supervisors of the Group had material interests 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 for the year ended 31 December 2025.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the then Supervisors nor any of their respective close associates had any interest in a business which competes or is likely to compete with the Company's business for the year ended 31 December 2025.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the Directors, the then Supervisors and senior management are set out respectively in the section headed "Directors, Supervisors and Senior Management" in this annual report.

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors and the then Supervisors required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) for the year ended 31 December 2025 and up to the date of this report are set out below:

Mr. Huang Hai ceased to be a director of the Company due to work adjustment, effective from 31 March 2025.

Mr. Yao Yucheng was appointed as a director of the Company on 6 June 2025 and ceased to be a director of the Company on 27 January 2026 due to work adjustment.

Mr. Liu Zhihui was appointed as a director of the Company on 6 June 2025.

Ms. Wu Lanyu has served as the deputy general manager of Poly Developments and Holdings since 8 August 2025.

Mr. Wang Yingnan was appointed as the general manager of the Company on 27 January 2026 and was appointed as a director of the Company on 13 March 2026.

Ms. Liao Moqiong, Mr. Yang Haibo and Ms. Mu Jing ceased to be the supervisors of the Company on 29 July 2025 as the Company abolished its Supervisory Committee on 29 July 2025.

PERMITTED INDEMNITY PROVISION

The Company has maintained liability insurance for the Directors, the then Supervisors and senior management members to protect them from any legal liability to any third party arising from corporate activities.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2025.



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

As at 31 December 2025, the interests and/or short positions of the Directors, the then Supervisors and chief executive in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), 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 Model Code, were as follows:

Name of Director/ the then Supervisor/ chief executive	The Company or name of its associated corporation	Capacity	Number of Shares held in the Company or its associated corporation	Percentage of total issued shares of the Company or its associated corporation (%)
Wu Lanyu	Poly Property ⁽¹⁾	Beneficial owner	77,088(L)	0.01
Liu Ping	Poly Developments and Holdings	Beneficial owner	7,723,184(L)	0.06
Yao Yucheng ⁽²⁾	Poly Property ⁽¹⁾	Beneficial owner	26,862(L)	0.01
		Other ⁽²⁾	26,862(L) ⁽²⁾	0.01

Notes:

As shown in the disclosed information: Long position – L

- (1) As at 31 December 2025, the Company had a total of 553,333,400 issued shares, comprising 206,333,310 Domestic Shares and 347,000,090 H Shares.
- (2) Mr. Yao Yucheng resigned as a Director of the Company on 27 January 2026. Such shares are Restricted Shares granted by the Company under the Restricted Share Incentive Scheme and have not yet vested. The details of the Restricted Shares are set out in the section headed "Restricted Share Incentive Scheme" in this report.

Save as disclosed above, as at 31 December 2025, none of the Directors, the then Supervisors and chief executive had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO); or which are recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

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

As at 31 December 2025, the persons (other than Directors, the then Supervisors or chief executive of the Company) or corporations who had interest or short positions in the shares and/or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 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:

Class of shares	Name of Shareholder	Capacity	Interests held or owned in the class shares of the Company	Percentage of issued shares of the relevant class of the Company (%)	Percentage of total issued shares of the Company (%)
H Share	China Poly Group ⁽¹⁾	Interest in controlled corporation	193,666,690 (L)	55.81	35.00
	Poly Developments and Holdings ⁽¹⁾	Beneficial owner	173,666,690 (L)	50.05	31.386
		Interest in controlled corporation	20,000,000 (L)	5.76	3.614
	Guangzhou Baoli Hetai Holding Co., Ltd. ⁽¹⁾	Interest in controlled corporation	20,000,000 (L)	5.76	3.614
	Xizang Hetai Corporate Management Co., Ltd. ⁽¹⁾	Beneficial owner	20,000,000 (L)	5.76	3.614
	Pandanus Associates Inc. ⁽²⁾	Interest in controlled corporation	20,825,200 (L)	6.00	3.76
	Pandanus Partners L.P. ⁽²⁾	Interest in controlled corporation	20,825,200 (L)	6.00	3.76
	FIL Limited ⁽²⁾	Interest in controlled corporation	20,825,200 (L)	6.00	3.76
	FIDELITY FUNDS	Beneficial owner	18,237,000 (L)	5.26	3.29
	BlackRock, Inc.	Interest in controlled corporation	17,789,922(L)	5.13	3.21
			600(S)	0.00	0.00
	China International Capital Corporation Limited ⁽³⁾	Interest in controlled corporation	8,764,200 (L) ⁽³⁾	2.52 ⁽³⁾	1.58
			6,642,000 (S) ⁽³⁾	1.91 ⁽³⁾	1.20
	China International Capital Corporation (Hong Kong) Limited ⁽³⁾	Interest in controlled corporation	8,238,000 (L) ⁽³⁾	2.37 ⁽³⁾	1.48
	China International Capital Corporation Hong Kong Securities Limited ⁽³⁾	Person having a security interest in shares	8,238,000 (L) ⁽³⁾	2.37 ⁽³⁾	1.48
	CCB Investment Funds Management Co., Ltd. ⁽⁴⁾	Interest in controlled corporation	6,681,400 (L) ⁽⁴⁾	1.92 ⁽⁴⁾	1.20
Domestic share	China Poly Group ⁽¹⁾	Interest in controlled corporation	206,333,310 (L)	100	37.289
	Poly Developments and Holdings ⁽¹⁾	Beneficial owner	206,333,310 (L)	100	37.289

Notes:

As shown in the disclosed information: Long position – L; Short position – S



* As at 31 December 2025, the Company had a total of 553,333,400 issued shares, comprising 206,333,310 Domestic Shares and 347,000,090 H Shares.

- (1)
 - (i) Pursuant to the State-owned Equity Gratuitous Transfer Agreement entered into between China Poly Group and Poly Southern on 9 October 2025, the gratuitous transfer has been completed and settled on 3 December 2025. Upon completion of the gratuitous transfer, China Poly Group directly held 4,874,942,462 shares in Poly Developments and Holdings, and Poly Southern no longer held any shares in Poly Developments and Holdings. The aforesaid gratuitous transfer was conducted between entities under the control of the same actual controller and did not result in any change in the actual controller of Poly Property Services Co., Ltd.;
 - (ii) On 14 April 2025, the Company completed the H Share Full Circulation. Therefore, (a) 173,666,690 Domestic Shares held by Poly Developments and Holdings were converted into 173,666,690 H Shares; and (b) 20,000,000 Domestic Shares held by Poly Developments and Holdings through Xizang Hetai Corporate Management Co., Ltd. ("**Xizang Hetai**", formerly known as Xizang Yingyue Investment Management Co., Ltd.) were all converted into 20,000,000 H Shares. Please refer to the announcement of the Company dated 14 April 2025 for details; and
 - (iii) Xizang Hetai is wholly-owned by Guangzhou Baoli Hetai Holding Co., Ltd. ("**Guangzhou Baoli Hetai**", formerly known as Guangzhou Baoli Hetai Financial Holding Co., Ltd.) and Guangzhou Baoli Hetai is directly held as to 99.90% and indirectly held as to 0.10% by Poly Developments and Holdings. Therefore, Guangzhou Baoli Hetai and Poly Developments and Holdings are deemed by the SFO to be interested in the shares of the Company held by Xizang Hetai. On 14 April 2025, the Company completed the H Share Full Circulation. Therefore, 20,000,000 Domestic Shares held by Guangzhou Baoli Hetai through Xizang Hetai were all converted into 20,000,000 H Shares. Please refer to the announcement of the Company dated 14 April 2025 for details.
- (2) Pandanus Partners L.P. is wholly-owned by Pandanus Associates Inc. and FIL Limited is held as to 48.83% by Pandanus Partners L.P.. FIL Limited has control over several corporations, and is deemed by the SFO to be interested in a long position in a total of 20,825,200 H Shares of the Company through various directly or indirectly controlled corporations. Both Pandanus Associates Inc. and Pandanus Partners L.P. are deemed by the SFO to be interested in the long positions held by FIL Limited.
- (3) China International Capital Corporation (Hong Kong) Limited is wholly owned by China International Capital Corporation Limited, and China International Capital Corporation Hong Kong Securities Limited is wholly owned by China International Capital Corporation (Hong Kong) Limited. Pursuant to the latest disclosure of interests notice filed by China International Capital Corporation Limited as of 31 December 2025 (date of the relevant event: 26 February 2020), China International Capital Corporation Limited has full control over several corporations, and is deemed by the SFO to be interested in the long positions in a total of 8,764,200 H Shares and short positions in 6,642,000 H Shares of the Company. Pursuant to the latest disclosure of interests notices filed by China International Capital Corporation (Hong Kong) Limited and China International Capital Corporation Hong Kong Securities Limited as of 31 December 2025 (date of the relevant event: 9 January 2020), China International Capital Corporation (Hong Kong) Limited and China International Capital Corporation Hong Kong Securities Limited have full control over several corporations, and are deemed by the SFO to be interested in the long positions in a total of 8,238,000 H Shares of the Company. 193,666,690 Domestic Shares of the Company completed H Share Full Circulation on 14 April 2025, resulting in an increase in the total number of H Shares. The percentage of the Company's H Shares in long positions held or owned by China International Capital Corporation Limited decreased from 5.72% to 2.52%, and its percentage of H Shares in short positions decreased from 4.33% to 1.91%. The percentage of the Company's H Shares in long positions held or owned by China International Capital Corporation (Hong Kong) Limited and China International Capital Corporation Hong Kong Securities Limited decreased from 6.18% to 2.37%.
- (4) China Structural Reform Fund Co., Ltd ("**China Structural Reform Fund**") is held as to 38.20% by CCB Investment Funds Management Co., Ltd. ("**CCB**"), which is deemed by the SFO to be interested in a long position in a total of 6,681,400 H Shares in the shares of the Company held by China Structural Reform Fund. Disclosure of the number of H Shares held is made pursuant to the latest disclosure of interests notice filed as of 31 December 2025 (date of the relevant event: 19 December 2019). 193,666,690 Domestic Shares of the Company completed H Share Full Circulation on 14 April 2025, resulting in an increase in the total number of H Shares, and the percentage of the Company's equity interest held or owned by CCB decreased from 5.01% to 1.92%.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any other interests or short positions held by any other person in the shares or underlying shares of the Company which were required to be recorded or otherwise disclosed to the Company under the SFO.

RESTRICTED SHARE INCENTIVE SCHEME

As approved by the extraordinary general meeting of the Company dated 18 February 2022, the Company has adopted the “First Phase Restricted Share Incentive Scheme of Poly Property Services Co., Ltd.” (the “**Restricted Share Incentive Scheme**” or the “**Scheme**”). The Scheme shall be valid and effective for a term of ten years, with an outstanding period of approximately five years and eleven months as of the date of this report.

The Restricted Share Incentive Scheme aims at (i) improving the corporate governance structure of the Company, establishing and enhancing the common interests of employees, shareholders and the Company as a whole; (ii) establishing benefits and risk sharing mechanisms, avoiding short-term behaviours, promoting the Company’s performance improvement and facilitating the long-term stable development of the Company; (iii) effectively attracting, retaining and motivating the core staff necessary for the development of the Company, stimulating the morale of employees and reinforcing the talent base for the long-term sustainable development of the Company. The scheme participants include Directors (excluding independent non-executive Directors), senior management, and the cadre of management and technical personnel who has an impact on the overall performance and sustainable development of the Company.

The cumulative total number of Restricted Shares granted under the Scheme shall not exceed 10% of the total share capital of the Company. The cumulative number of Shares granted for two consecutive full years is generally within 3% of the total share capital of the Company. The total number of Shares to be obtained by any Scheme Participant under the Scheme shall not exceed 1% of the total share capital of the Company unless approved by way of special resolution at the general meeting. The total share capital mentioned above represents the total issued share capital of the Company as at the time of approval of the Scheme at the general meeting. The total number of Restricted Shares that may be granted under the Scheme is 55,333,340 shares, representing approximately 10.0% of the Company’s total issued share capital as of the date of this report. The source of the Restricted Shares to be granted under the Scheme shall be the ordinary H Shares of the Company to be purchased by the trustee from the secondary market.

The grant price of Restricted Shares under the Scheme shall be no less than the higher of the 50% of the reference price and the shareholders’ equity per share. The reference price shall be the higher of: (i) the closing price of H Shares of the Company on the grant date; (ii) the average closing price of H Shares of the Company for the five trading days immediately preceding the Grant Date; and (iii) the nominal value of Shares of the Company. Pursuant to the Scheme and the agreement for grant of Restricted Shares entered into between the Company and each of the Participants, the Participants shall pay the subscription funds for the Restricted Shares granted to the Company’s designated account within the time period as prescribed by the Company. There is no additional amount payable on application or acceptance of the Restricted Shares awarded.

On 26 April 2022, the Board implemented the first grant (the “**Initial Grant**”) of the Restricted Shares according to the Restricted Share Incentive Scheme and approved the first tranche of grant under the Initial Grant. On 20 January 2023, the Board has approved the second tranche of grant (“**Reserved Grant**”) of the Initial Grant. On 13 May 2024, 20 January 2025 and 28 April 2025, the Board approved the first tranche of unlocking of the Initial Grant, the first tranche of unlocking of the Reserved Grant and the second tranche of unlocking of the Initial Grant, respectively. On 30 October 2025, the Board of the Company considered and approved the resolution in relation to the non-fulfillment of the unlocking conditions for the third tranche of the Initial Grant Proposal under the Scheme. For relevant details, please refer to the announcements and circular of the Company dated 15 November 2021, 28 January 2022, 26 April 2022, 20 January 2023, 13 May 2024, 20 January 2025, 28 April 2025 and 30 October 2025 as well as the poll results of the extraordinary general meeting dated 18 February 2022, in relation to, among other things, (i) the Scheme; (ii) the Initial Grant Proposal; (iii) the authorisation to the Board to implement relevant matters of the Scheme; (iv) the Administrative Measures for the Scheme and the Appraisal Measures for Implementation of the Scheme; (v) the Initial Grant under the Scheme; (vi) Reserved Grant under the Scheme; (vii) the first tranche of unlocking of the Initial Grant under the Scheme; (viii) the first tranche of unlocking of the Reserved Grant under the Scheme; (ix) the second tranche of unlocking of the Initial Grant under the Scheme; (x) the non-fulfillment of the unlocking conditions for the third tranche of the Initial Grant Proposal under the Scheme.



REPORT OF THE BOARD OF DIRECTORS

Details of the Restricted Shares granted to Directors, the five highest paid individuals (excluding the Directors) and other grantees in the initial grant and reserved grant under the Restricted Share Incentive Scheme for the year ended 31 December 2025 are as follows:

Grantees	Grant date	Unlocking period	Grant price (HK\$)	Closing Price of H Shares Immediately before the grant date (HK\$)	Fair value of the Restricted Share on the grant date (HK\$)	Number of shares granted as of 1 January 2025 (not yet unlocked)	Number of shares granted during the year ended 31 December 2025	Number of shares unlocked during the year ended 31 December 2025 ⁽¹⁾	Number of shares cancelled/lapsed during the year ended 31 December 2025	Number of shares not yet unlocked as of 31 December 2025
Ms. Wu Lanyu, Chairman and Executive Director	26 April 2022	24 months to 60 months from the granting of Restricted Shares	25.71	49.90	24.94	78,256	0	(38,544)	(39,712)	0
Executive Director and general manager Mr. Yao Yucheng ⁽²⁾	20 January 2023	24 months to 60 months from the granting of Restricted Shares	25.71	58.35	32.04	81,400	0	(26,862)	(27,676)	26,862
The five highest paid individuals (excluding the Director) (combined)	26 April 2022	24 months to 60 months from the granting of Restricted Shares	25.71	49.90	24.94	45,024	0	(22,176)	(22,848)	0
	20 January 2023	24 months to 60 months from the granting of Restricted Shares	25.71	58.35	32.04	134,400	0	(44,352)	(45,696)	44,352
Other grantees (combined)	26 April 2022	24 months to 60 months from the granting of Restricted Shares	25.71	49.90	24.94	2,630,286	0	(1,282,908)	(1,347,378)	0
	20 January 2023	24 months to 60 months from the granting of Restricted Shares	25.71	58.35	32.04	499,800	0	(164,934)	(169,932)	164,934

Notes: (1) The closing prices of H Shares immediately before the relevant unlock dates of the initial grant and reserved grant were HK\$31.35 and HK\$27.35, respectively.

(2) Mr. Yao Yucheng resigned as a Director of the Company on 27 January 2026.

Details of the movement in number of Restricted Shares for the year ended 31 December 2025 and the fair values are set out in note 28 to the Consolidated Financial Statements.

The Unlocking Period shall be 24 months to 60 months from the grant of Restricted Shares. Where the conditions for unlocking as required by the Scheme are fulfilled within the Unlocking Period, the Restricted Shares granted shall be unlocked in three tranches.

Unlocking arrangement	Unlocking time	Unlocking proportion
Unlocking Period for the first tranche	From the first trading day after 24 months from the Grant Date to the last trading day for 36 months	33%
Unlocking Period for the second tranche	From the first trading day after 36 months from the Grant Date to the last trading day for 48 months	33%
Unlocking Period for the third tranche	From the first trading day after 48 months from the Grant Date to the last trading day for 60 months	34%

This Scheme is a share scheme involving the grant by a listed issuer of existing shares under Rule 17.01(1)(b) of the Listing Rules.

COMPLIANCE WITH THE DEED OF NON-COMPETITION

China Poly Group, a substantial Shareholder of the Company, entered into a deed of non-competition dated 29 November 2019 in favour of the Group. Please refer to “China Poly Group Non-competition Undertaking” in the Prospectus of the Company dated 9 December 2019 for more details.

For the year ended 31 December 2025, China Poly Group, our controlling Shareholder, confirmed that it had complied with the deed of non-competition undertaking.

The independent non-executive Directors have reviewed the confirmation letter in relation to China Poly Group’s compliance with the deed of non-competition undertaking for the year ended 31 December 2025.

Poly Developments and Holdings, a substantial Shareholder of the Company, entered into a deed of non-competition dated 29 November 2019 in favour of the Group. Please refer to the paragraph headed “Poly Developments and Holdings Non-competition Undertaking” in the Prospectus of the Company dated 9 December 2019 for more details.

For the year ended 31 December 2025, Poly Developments and Holdings, our controlling Shareholder, confirmed that it had complied with the deed of non-competition undertaking.

The independent non-executive Directors have reviewed the confirmation letter in relation to Poly Developments and Holdings’ compliance with the deed of non-competition undertaking for the year ended 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the total procurement from the five largest suppliers of the Group was less than 30% of the total procurement of the Group, and the total revenue from the five largest customers of the Group was also less than 30% of the total revenue of the Group.

CONTROLLING SHAREHOLDER’S INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed “Connected Transactions and Continuing Connected Transactions” below, there were no contracts of significance between the Company or any of its subsidiaries and the controlling shareholder of the Company or any of its subsidiaries for the year ended 31 December 2025.



CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the connected transactions and continuing connected transactions required to be disclosed in the annual report pursuant to Chapter 14A of the Listing Rules are as follows.

Connected Transactions and Continuing Connected Transactions

1. 2022 Property Leasing Agreement

On 31 December 2021, Guangzhou Poly Business Commercial Property Development Co., Ltd. (廣州保利商業物業發展有限公司) ("**Poly Business Commercial Property**"), a wholly-owned subsidiary of our Company, as lessee, entered into a property leasing agreement ("**2022 Property Leasing Agreement**") with Poly Developments and Holdings, as landlord, to renew the connected transactions related to Poly Zhongke Plaza (the "**Subject Property**") under the property leasing agreement entered into by both on 16 October 2020. Pursuant to the agreement, the rent payable will be paid in the form of "guaranteed rent + shared rent". As Poly Developments and Holdings and its associates have reserved certain properties in the Subject Property and will rent properties in the Subject Property for their own use, Poly Business Commercial Property will become the lessor of such reserved and newly rented properties upon signing the 2022 Property Leasing Agreement with a lease term from 1 January 2022 to 31 December 2031.

Upon the date of effectiveness of the 2022 Property Leasing Agreement, the aggregate amount of guaranteed rent shall be paid by Poly Business Commercial Property under lump sum basis for the whole lease term amounts to approximately RMB97.48 million.

The Board estimates that the annual caps for the shared rent to be incurred by the Subject Properties of Poly Business Commercial Property pursuant to the 2022 Property Leasing Agreement, for the three years ending 31 December 2024, will not exceed RMB17.91 million, RMB18.88 million and RMB20.08 million, respectively.

Poly Developments and Holdings is one of our controlling shareholders, and is therefore a connected person of the Company under the Listing Rules. In accordance with the Listing Rules, as the highest applicable percentage ratios in respect of the value of right-of-use assets for the guaranteed rent portion, and the relevant highest annual cap for the subleasing income to the Group from the connected persons under the 2022 Property Leasing Agreement is more than 0.1%, but less than 5%, the Company shall be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but is exempt from the independent shareholders' approval requirement.

In addition, as the highest applicable percentage ratio in respect of the maximum annual cap for the shared rent portion under the 2022 Property Leasing Agreement is less than 0.1%, pursuant to the Listing Rules, the Company, for the shared rent portion, is exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Chapter 14A.52 of the Listing Rules, as the term of 2022 Property Leasing Agreement exceeds three years, the Company has appointed an independent financial adviser to elaborate the reason for such longer term, and has confirmed that it is normal business practice for agreement of such type of term to be of such durations.

For details, please refer to the announcement of the Company dated 31 December 2021.

On 31 December 2024, the Board approved the annual caps for the subleasing income portion and the shared rent portion to be incurred by the Subject Properties of Poly Business Commercial Property pursuant to the 2022 Property Leasing Agreement, for the three years ending 31 December 2027. As the highest applicable percentage ratios in respect of the relevant highest annual caps are less than 0.1%, the Company, for the subleasing income portion and the shared rent portion for the three years ending 31 December 2027, is exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. 2024 Property Leasing Agreements

As the 2021 Property Leasing Agreements expired on 27 May 2024, on 22 April 2024, Poly Business Commercial Property entered into the 2024 Property Leasing Agreements with Poly Developments and Holdings, Guangzhou Ruichi Corporate Management Co., Ltd. (廣州市睿馳企業管理有限公司) (“**Guangzhou Ruichi**”), Guangzhou Ruifu Corporate Management Co., Ltd. (廣州市瑞富企業管理有限公司) (“**Guangzhou Ruifu**”) and Guangzhou Ruizi Corporate Management Co., Ltd. (廣州市瑞諮企業管理有限公司) (“**Guangzhou Ruizi**”), as landlords, to renew the connected transactions contemplated under the 2021 Property Leasing Agreements, pursuant to which, the rent payable will be paid in the form of “rent under lump sum basis + remaining rent”. As Poly Developments and Holdings, Guangzhou Ruichi, Guangzhou Ruifu, Guangzhou Ruizi and their associates have reserved certain properties in the subject properties and will rent properties in the subject properties for their own use, Poly Business Commercial Property will become the lessor of such reserved and newly rented properties upon signing the 2024 Property Leasing Agreements with a term of three years from the date of consideration and approval of the 2024 Property Leasing Agreements at the extraordinary general meeting (from 28 May 2024 to 27 May 2027).

After the effective date of the 2024 Property Leasing Agreements, Poly Business Commercial Property was required to pay the rent of approximately RMB840 million under lump sum basis. The aggregate amount of the remaining rent for the lease term is approximately RMB103 million, payable in instalments over a period of three years.

The Board estimates that the annual caps for the remaining rent payable by Poly Business Commercial Property pursuant to the 2024 Property Leasing Agreements, for the years ended 31 December 2024, 31 December 2025 and 31 December 2026, and the period ending 27 May 2027, will not exceed RMB24.0 million, RMB44.4 million, RMB52.3 million and RMB23.5 million, respectively; while the annual caps for the subleasing income to be received by Poly Business Commercial Property from Poly Developments and Holdings and its associates pursuant to the 2024 Property Leasing Agreements for the years and period as stated above will not exceed RMB52.8 million, RMB91.2 million, RMB91.4 million and RMB38.1 million, respectively.

Poly Developments and Holdings is one of the controlling shareholders of the Company, and is therefore a connected person of the Company under the Listing Rules. In accordance with the Listing Rules, as the rent paid under lump sum basis under the 2024 Property Leasing Agreements is recognised as right-of-use assets on an aggregate basis and considered as a connected transaction, where the highest applicable percentage ratio is more than 5%, but less than 25%, pursuant to Chapter 14A of the Listing Rules, the Company shall be subject to reporting, announcement and independent shareholders’ approval requirements. At the same time, as the rent paid under lump sum basis under the 2024 Property Leasing Agreements constitutes a discloseable transaction, the Company shall also be subject to the notice and announcement requirements under Chapter 14 of the Listing Rules. As the remaining rent and the subleasing income under the 2024 Property Leasing Agreements are recognised as expense and revenue, respectively, and considered as continuing connected transactions under the Listing Rules, where the highest applicable percentage ratios in respect of the annual caps for the above transactions are more than 0.1%, but less than 5%, the remaining rents portion and the subleasing income portion under the 2024 Property Leasing Agreements are only subject to the reporting, announcement and annual review requirements, but are exempted from the independent Shareholders’ approval requirement.

For details, please refer to the announcement dated 22 April 2024 and the circular dated 10 May 2024 of the Company.

For the year ended 31 December 2025, the remaining rent portion paid by Poly Business Commercial Property to Poly Developments and Holdings, Guangzhou Ruichi, Guangzhou Ruifu and Guangzhou Ruizi pursuant to the 2024 Property Leasing Agreements amounted to RMB0.0 million, which did not exceed RMB44.4 million, the annual cap for 2025.

For the year ended 31 December 2025, the subleasing income portion received by Poly Business Commercial Property from Poly Developments and Holdings and its associates pursuant to the 2024 Property Leasing Agreements amounted to RMB63.1 million, which did not exceed RMB91.2 million, the annual cap for 2025.



CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions Subject to the Reporting, Announcement and Annual Review Requirements but Exempt from the Independent Shareholders' Approval Requirements

1. *2024-2026 Property Leasing Framework Agreement*

On 3 November 2023, the Company entered into a property leasing framework agreement (the “**2024-2026 Property Leasing Framework Agreement**”) with Poly Developments and Holdings to renew the connected transactions under the Property Leasing Framework Agreement entered into on 24 March 2021, for a term from 1 January 2024 to 31 December 2026, pursuant to which, the Company will lease properties owned by Poly Developments and Holdings and its associates for office, operation premises and other uses in various cities in the PRC, and the relevant subsidiaries and associates of the parties will enter into separate leasing agreements which shall set out the specific terms and conditions.

The Board estimates that the annual caps for property leasing fees to be incurred for each of the three years ending 31 December 2026 will not exceed RMB45.0 million, RMB63.0 million and RMB75.0 million, respectively.

Poly Developments and Holdings is one of our controlling shareholders, and is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the annual caps for property leasing under the 2024-2026 Property Leasing Framework Agreement is more than 0.1%, but less than 5%, such transaction is exempt from the independent shareholders' approval requirement but shall be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 3 November 2023.

For the year ended 31 December 2025, the rent for the properties leased by the Group from Poly Developments and Holdings and its associates amounted to RMB52.8 million, which did not exceed RMB63.0 million, the annual cap for 2025.

2. *2024-2026 Products and Services Procurement Framework Agreement*

On 3 November 2023, the Company entered into a products and services procurement framework agreement (the “**2024-2026 Products and Services Procurement Framework Agreement**”) with Poly Developments and Holdings to renew the connected transactions under the Hardware Procurement and Maintenance Services Framework Agreement entered into by both on 24 March 2021, for a term from 1 January 2024 to 31 December 2026, pursuant to which, the Company will procure various types of products and services from Poly Developments and Holdings and its associates, including but not limited to hardware procurement and maintenance services and other products and services that support the daily operation of the Group, and the relevant subsidiaries and associates of the parties will enter into separate products and services procurement agreements which shall set out the specific terms and conditions.

The Board estimates that the annual caps for products and services procurement fees to be incurred for each of the three years ending 31 December 2026 will not exceed RMB60.0 million, RMB66.0 million and RMB73.0 million, respectively. On 26 March 2024, the Board resolved to revise the foresaid annual caps. The revised annual caps for each of the three years ending 31 December 2026 will not exceed RMB250.0 million, RMB325.0 million and RMB423.0 million, respectively.

Poly Developments and Holdings is one of our controlling shareholders, and is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the annual caps for products and services procurement under the 2024-2026 Products and Services Procurement Framework Agreement is more than 0.1%, but less than 5%, such transaction is exempt from the independent shareholders' approval requirement but shall be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For details, please refer to the announcements of the Company dated 3 November 2023 and 26 March 2024.

For the year ended 31 December 2025, the fee for the products and services procured by the Group from Poly Developments and Holdings and its associates amounted to RMB84.7 million, which did not exceed RMB325.0 million, the annual cap for 2025.

3. 2024-2026 Property Management Services Framework Agreement

On 3 November 2023, the Company entered into a property management services framework agreement (the **"2024-2026 Property Management Services Framework Agreement"**) with Poly Developments and Holdings to renew the connected transactions under the Property Management Services Framework Agreement entered into by both on 24 March 2021, for a term from 1 January 2024 to 31 December 2026, pursuant to which, the Company will provide property management services to Poly Developments and Holdings and its associates, and the relevant subsidiaries and associates of the parties will enter into separate property management services agreements which shall set out the specific terms and conditions.

The Board estimates that the annual caps for property management service fees to be incurred for each of the three years ending 31 December 2026 will not exceed RMB467.0 million, RMB513.0 million and RMB565.0 million, respectively.

Poly Developments and Holdings is one of our controlling shareholders, and is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the annual caps for property management under the 2024-2026 Property Management Services Framework Agreement is more than 0.1%, but less than 5%, such transaction is exempt from the independent shareholders' approval requirement but shall be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 3 November 2023.

For the year ended 31 December 2025, the property management fees generated from the provision of property management services by the Group to Poly Developments and Holdings and its associates amounted to RMB403.0 million, which did not exceed RMB513.0 million, the annual cap for 2025.



Continuing Connected Transactions Subject to the Reporting, Announcement, Annual Review and Independent Shareholders' Approval Requirements

1. **2023-2025 Deposit Service Framework Agreement**

On 4 November 2022, our Company entered into a deposit service framework agreement (the “**2023-2025 Deposit Service Framework Agreement**”) with Poly Finance Company Limited (“**Poly Finance**”), pursuant to which Poly Finance would provide deposit services to our Group, with a term from 1 January 2023 to 31 December 2025. According to the 2023-2025 Deposit Service Framework Agreement, the Company may deposit funds into Poly Finance from time to time. The terms, including interest rates and other important terms, provided by Poly Finance should be comparable with those provided by major state-owned commercial banks in the PRC for the same type and terms/interests. The Group and Poly Finance will monitor the Group's deposits from time to time.

The maximum daily balance of deposits (including interests paid thereon) that may be placed with Poly Finance for each of the three years ended 31 December 2023, 2024 and 2025 shall be capped at RMB2,030.0 million.

As Poly Finance is an associate of China Poly Group, and China Poly Group is a connected person of the Company under the Listing Rules, Poly Finance is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the daily caps for the deposit balances under the 2023-2025 Deposit Service Framework Agreement is more than 5%, the transactions under the 2023-2025 Deposit Service Framework Agreement shall be subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For details, please refer to the announcement dated 4 November 2022 and the circular dated 14 December 2022 of the Company.

For the year ended 31 December 2025, the maximum daily balance of deposits (including interests paid) that the Group deposited funds into Poly Finance was RMB1,969.3 million, which did not exceed RMB2,030.0 million, the annual cap for 2025.

2. **2026-2028 Deposit Service Framework Agreement**

On 13 November 2025, our Company entered into a deposit service framework agreement (the “**2026-2028 Deposit Service Framework Agreement**”) with Poly Finance to renew the connected transactions under the 2023-2025 Deposit Service Framework Agreement entered into by the parties on 4 November 2022. Pursuant to the 2026-2028 Deposit Service Framework Agreement, Poly Finance would provide deposit services to our Group, with a term from 1 January 2026 to 31 December 2028. According to the 2026-2028 Deposit Service Framework Agreement, the Company may deposit funds into Poly Finance from time to time. The terms, including interest rates and other important terms, provided by Poly Finance should be comparable with those provided by major state-owned commercial banks in the PRC for the same type and terms/interests. The Group and Poly Finance will monitor the Group's deposits from time to time.

The maximum daily balance of deposits (including interests paid thereon) that may be placed with Poly Finance for each of the three years ending 31 December 2026, 2027 and 2028 shall be capped at RMB2,030.0 million.

As Poly Finance is an associate of China Poly Group, and China Poly Group is a connected person of the Company under the Listing Rules, Poly Finance is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the daily caps for the deposit balances under the 2026-2028 Deposit Service Framework Agreement is more than 5%, the transactions under the 2026-2028 Deposit Service Framework Agreement shall be subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2026-2028 Deposit Service Framework Agreement and transactions contemplated thereunder had been formally approved by the independent shareholders of the Company at the extraordinary general meeting held on 30 December 2025. For details, please refer to the announcement dated 13 November 2025 and the circular dated 15 December 2025 of the Company.

3. 2024-2026 Pre-delivery Services Framework Agreement

On 3 November 2023, the Company entered into a pre-delivery services framework agreement (the **"2024-2026 Pre-delivery Services Framework Agreement"**) with Poly Developments and Holdings to renew the connected transactions under the Pre-delivery Services Framework Agreement entered into by both on 24 March 2021, for a term from 1 January 2024 to 31 December 2026, pursuant to which, the Company will provide pre-delivery services to Poly Developments and Holdings and its associates, for the purposes of assisting in property sale activities, which include visitor reception, cleaning, security inspection, maintenance and other customer-related services (collectively the **"Pre-delivery Services"**), and the relevant subsidiaries and associates of the parties will enter into separate pre-delivery services agreements which shall set out the specific terms and conditions.

The Board estimates that the annual caps for pre-delivery service fees to be incurred for each of the three years ending 31 December 2026 will not exceed RMB1,677.0 million, RMB1,677.0 million and RMB1,677.0 million, respectively.

Poly Developments and Holdings is one of our controlling shareholders, and is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the annual caps for pre-delivery services under the 2024-2026 Pre-delivery Services Framework Agreement is more than 5%, such transaction shall be subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For details, please refer to the announcement dated 3 November 2023 and the circular dated 11 December 2023 of the Company.

For the year ended 31 December 2025, the service fees generated from the provision of Pre-delivery Services by the Group to Poly Developments and Holdings and its associates amounted to RMB709.0 million, which did not exceed RMB1,677.0 million, the annual cap for 2025.



4. **2024-2026 Other Value-added Services Framework Agreement**

On 3 November 2023, the Company entered into an other value-added services framework agreement (the “**2024-2026 Other Value-added Services Framework Agreement**”) with Poly Developments and Holdings to renew the connected transactions under the Other Value-added Services Framework Agreement entered into by both on 24 March 2021, for a term from 1 January 2024 to 31 December 2026, pursuant to which, the Company will provide other value-added services to Poly Developments and Holdings and its associates, i.e. (i) other value-added services to non-property owners, such as consultation, inspection, delivery and commercial operation services; and (ii) community value-added services (collectively “**Other Value-added Services**”), and the relevant subsidiaries and associates of the parties will enter into separate other value-added services agreements which shall set out the specific terms and conditions.

The Board estimates that the annual caps for other value-added service fees to be incurred for each of the three years ending 31 December 2026 will not exceed RMB1,397.0 million, RMB1,676.0 million and RMB2,011.0 million, respectively.

Poly Developments and Holdings is one of our controlling shareholders, and is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the annual caps for other value-added services under the 2024-2026 Other Value-added Services Framework Agreement is more than 5%, such transaction shall be subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

For details, please refer to the announcement dated 3 November 2023 and the circular dated 11 December 2023 of the Company.

For the year ended 31 December 2025, the service fees generated from the provision of Other Value-added Services by the Group to Poly Developments and Holdings and its associates amounted to RMB859.5 million, which did not exceed RMB1,676.0 million, the annual cap for 2025.

5. **Parking Space Agency Framework Agreement (Phase II)**

To meet the business needs for continuing development, on 16 November 2022, our Company entered into the Parking Space Agency Framework Agreement (Phase II) with Poly Developments and Holdings, with a term of three years from the date of consideration and approval at the extraordinary general meeting (29 December 2022). Pursuant to the agreement, the Group will provide exclusive parking space sales and leasing agency services in respect of the target parking spaces to Poly Developments and Holdings and its associates, to facilitate the sales and leasing activities of parking space properties. The Group is required to pay refundable deposits to Poly Developments and Holdings and its associates, and, at the same time, to receive agency service fees from Poly Developments and Holdings and its associates.

The Board estimates that the maximum balances of the deposits paid by the Group to Poly Developments and Holdings and its associates at any time during each of the year ending 31 December 2022, 31 December 2023 and 31 December 2024, and the period ending 28 December 2025 shall be capped at RMB2,000 million; the annual caps of agency service fees receivable by the Company for the years and period will not exceed RMB50 million, RMB600 million, RMB600 million and RMB600 million, respectively.

Poly Developments and Holdings is one of our controlling shareholders, and is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratios in respect of the annual caps for the deposit expense portion and the agency service fees income portion under the Parking Space Agency Framework Agreement (Phase II) are both higher than 5%, the Company shall be subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 16 July 2021, the Company entered into the Parking Space Agency Framework Agreement (Phase I) with Poly Developments and Holdings. As (i) the highest applicable percentage ratios, if calculated on an aggregated basis, in respect of the Annual Caps under the Parking Space Agency Framework Agreement (Phase II) together with the Parking Space Agency Framework Agreement (Phase I) are higher than 25% but lower than 100%; and (ii) the Parking Space Agency Framework Agreement (Phase I) constituted a major transaction and continuing connected transactions of the Company and had complied with the reporting, announcement, annual review and independent shareholders' approval requirements, accordingly, pursuant to Chapter 14 of the Listing Rules, the Parking Space Agency Framework Agreement (Phase II) also constitutes a discloseable transaction of the Company, the Company is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

For details, please refer to the announcement dated 16 November 2022 and the circular dated 14 December 2022 of the Company.

For the period from 1 January 2025 to 28 December 2025, the maximum daily balance of the deposit paid by the Group to Poly Developments and Holdings and its associates pursuant to Parking Space Agency Framework Agreement (Phase II) amounted to RMB2,000 million, which did not exceed RMB2,000 million, the annual cap for 2025.

For the period from 1 January 2025 to 28 December 2025, the agency services fee received by the Group from Poly Developments and Holdings and its associates pursuant to Parking Space Agency Framework Agreement (Phase II) amounted to RMB104.4 million, which did not exceed RMB600 million, the annual cap for 2025.

6. Renewed Parking Space Agency Framework Agreement

On 3 November 2023, the Company entered into a parking space agency framework agreement (the “**Renewed Parking Space Agency Framework Agreement**”) with Poly Developments and Holdings to renew the connected transactions under the Parking Space Leasing and Sales Agency Services Framework Agreement entered into by both on 16 July 2021, for a term from 1 January 2024 to 31 December 2026, pursuant to which, the Group will provide exclusive parking spaces sales and leasing agency services in respect of the target parking spaces to Poly Developments and Holdings and its associates to facilitate the sales and leasing activities of parking space properties. The Group shall pay refundable deposits to Poly Developments and Holdings and its associates and receive agency service fee from Poly Developments and Holdings and its associates.

The Board estimates that the maximum balances of the deposits paid by the Group to Poly Developments and Holdings and its associates at any time during each of the three years ending 31 December 2026 shall be capped at RMB3,000 million; all of the annual caps of agency service fees receivable by the Group for the years stated above are RMB750 million.



Poly Developments and Holdings is one of our controlling shareholders, and is therefore a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio, in accordance with the Listing Rules in respect of the annual caps for the deposit expense portion and the agency service fees income portion under the Renewed Parking Space Agency Framework Agreement is higher than 5%, such transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 16 November 2022, the Company entered into the Parking Space Agency Framework Agreement (Phase II) with Poly Developments and Holdings. As the highest applicable percentage ratio, if calculated on an aggregate basis, in respect of the annual caps for the deposit expense portion under the Renewed Parking Space Agency Framework Agreement together with the Parking Space Agency Framework Agreement (Phase II) is higher than 25% but lower than 100%, the deposit expense portion under the Renewed Parking Space Agency Framework Agreement also constitutes a major transaction of the Company. As such, such transaction is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

For details, please refer to the announcement dated 3 November 2023 and the circular dated 11 December 2023 of the Company.

For the year ended 31 December 2025, the maximum daily balance of the deposit paid by the Group to Poly Developments and Holdings and its associates pursuant to the Renewed Parking Space Agency Framework Agreement amounted to RMB3,000 million, which did not exceed RMB3,000 million, the annual cap for 2025.

For the year ended 31 December 2025, the agency services fee received by the Group from Poly Developments and Holdings and its associates pursuant to the Renewed Parking Space Agency Framework Agreement amounted to RMB121.1 million, which did not exceed RMB750 million, the annual cap for 2025.

During the year ended 31 December 2025, each of the continuing connected transactions above was conducted in accordance with the pricing policies and terms under the relevant agreements.

REVIEW AND APPROVAL OF CONTINUING CONNECTED TRANSACTIONS BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

REVIEW AND APPROVAL OF CONTINUING CONNECTED TRANSACTIONS BY AUDITORS

In accordance with Rule 14A.56 of the Listing Rules, the Company's external auditor, BDO Limited, was engaged to report on the Group's continuing connected transactions. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 62 to 70 of this annual report in accordance with Rule 14A.56 of the Listing Rules. The unqualified conclusion of the auditor is set out below:

- (1) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's Board of Directors;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

The Board has received the auditor's letter.

MATERIAL RELATED PARTY TRANSACTIONS

Details of the material related party transactions entered into by the Group during the year ended 31 December 2025 are set out in note 36 to the consolidated financial statements. Certain items in note 36 to the consolidated financial statements also constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, details of which have been disclosed above.

The Board confirmed that the Company has complied with the applicable requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transactions and continuing connected transactions.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 28,692 employees (as at 31 December 2024: 30,125 employees). For the year ended 31 December 2025, the total staff costs were approximately RMB3,486.0 million. The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions to encourage value creation of employees. Also, the Group provides employees with employee benefits, including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund.



EMPLOYEE TRAINING AND DEVELOPMENT

The Group consistently regards talents as its most critical strategic resource, steadfastly committing to providing employees with platforms for continuous growth and diverse career development pathways. In 2025, the Company launched the “New Force of Hundred Talents (百將新軍)” cadre revitalisation special initiative, comprising three key actions: “Recruiting Talents (攬將)” through external recruitment, “Gathering Talents (匯將)” through internal recruitment and “Appointing Talents (點將)” through internal competitive selection. Focused on five core positions across various business units, the initiative strengthened the development of the cadre team and stimulated the organisation’s intrinsic vitality and momentum. In the engineering and asset management sectors, the Company successfully built a nationwide professional team exceeding 1,000 members, with 85% of its key personnel sourced from leading players in specialised sub-sectors, effectively supporting the nationwide rollout and execution of its business operations. In terms of employee development, the “Poly Starian (保利星學匯)” learning platform has undergone a comprehensive upgrade, with over 300 courses and specialised learning resources curated, serving as a shared knowledge platform for employees to engage in self-directed learning and skill advancement. The “Dynamic Flow Programme (活水計劃)” internal recruitment platform was launched, facilitating smooth internal talent mobility and providing employees with diverse and flexible career development options. For frontline management positions, guided by the spirit of “First Positions (一號位)”, the Company fully implemented a competitive job application mechanism, which injected a sense of competition, vitality and proactive mindset into the grassroots management team. Tailored talent pipeline development pathways were designed for different project types. In addition, a series of certification courses for project management positions were introduced, establishing a closed-loop from selection and cultivation to on-the-job certification, thereby promoting the quality improvement and revitalisation of grassroots management positions.

EVENTS AFTER THE REPORTING DATE

The Group did not have any significant events after 31 December 2025 and up to the date of publication of this report.

MATERIAL LITIGATION

During the year ended 31 December 2025, the Company was not engaged in any material litigation or arbitration which could have a material effect on its financial condition or results of operations. So far as our Directors are aware, no such litigation or arbitration of material importance is pending or threatened against the Company.

AUDITOR

The shares of the Company have been listed on the Hong Kong Stock Exchange since 19 December 2019. The consolidated financial statements for the year ended 31 December 2025 have been audited by BDO Limited (香港立信德豪會計師事務所有限公司), Certified Public Accountants, who will be subject to nomination for re-appointment at the forthcoming annual general meeting.

Baker Tilly China Certified Public Accountants (天職國際會計師事務所(特殊普通合夥)) and Baker Tilly Hong Kong Limited (天職香港會計師事務所有限公司) have tendered their resignations to the Board as the domestic and overseas auditors of the Company for the year 2025, respectively, with effect from 13 November 2025. BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) and BDO Limited (香港立信德豪會計師事務所有限公司) have been appointed as the new domestic and overseas auditors of the Company, respectively, with effect from 13 November 2025, to fill the casual vacancies following the resignation of Baker Tilly China Certified Public Accountants (天職國際會計師事務所(特殊普通合夥)) and Baker Tilly Hong Kong Limited (天職香港會計師事務所有限公司). The aforementioned appointments were considered and approved by the shareholders at the third extraordinary general meeting of 2025 held on 30 December 2025.

Except for the above, there has been no change in auditors of the Company in the past three years.

REVIEW OF ACCOUNTS

The audit committee of the Company was established with written terms of reference in accordance with Appendix C1 to the Listing Rules. The audit committee is delegated by the Board to be responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit of the Group.

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025, and discussed with the management of the Group regarding the accounting principles and practices adopted by the Group, risk management and internal controls, and financial reporting matters.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has complied with all the applicable code provisions of the Corporate Governance Code for the year ended 31 December 2025.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is subject to various laws and regulations, primarily including the Civil Code of the PRC, the Company Law of the PRC, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Bidding Law of the PRC, the Environmental Protection Law of the PRC, the Production Safety Law of the PRC, the Fire Control Law of the PRC and the Land Administration Law of the PRC as well as the Provisions on Property Management and the Regulations on Safety Supervision of Special Equipment promulgated by the State Council of the PRC.

For the year ended 31 December 2025, the Group's business had complied with the relevant laws and regulations in all material aspects and had not breached or violated any laws and regulations applicable to the Group which would result in a material and adverse impact on the results or financial condition of the Group.

PUBLIC FLOAT

According to published information and the Directors' knowledge, for the year ended 31 December 2025 and as at the date of this report, the Company maintained sufficient public float in compliance with the Listing Rules.

RELATIONSHIP WITH STAKEHOLDERS

The Group deeply believes that our employees, customers and business partners are key to our sustainable development. The Group strives to achieve corporate sustainability through engaging our employees, providing customers with quality services, collaborating with business partners and supporting public welfare.

The Group places significant emphasis on human resources. The Group provides a fair workplace to employees and embraces inclusiveness and multi-cultural backgrounds. Employees are also provided with competitive remuneration packages and a wide range of opportunities for career advancement based on their performance. The Group administers its health and safety management system for employees and ensures the adoption of the principles throughout the Group. Regular training is provided to employees to keep them abreast of the latest development in the market and industry, in the form of both internal training and training courses provided by external professional organisations.

The Group values the feedback from customers which is obtained through daily communication and other surveys. Moreover, the Group has also established a mechanism for customer service and support. The Group sees rendering services to customers as a valuable opportunity to improve its relationship with customers and will respond promptly.

The Group understands that the role of suppliers is equally important for providing quality services, therefore it has actively cooperated with business partners to provide premium and sustainable services.



ENVIRONMENTAL POLICY AND PERFORMANCE

The Group has been actively promoting sustainable development and environmental protection. It has been proactive in facilitating and achieving effective use of resources during its operation and has strictly complied with laws and regulations in connection with environmental protection and health. At the same time, various types of environmental and public welfare activities were held in the course of its operation to promote the concept of environmental protection to every sector of the society in order to build a green and wonderful future together.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group believes that promoting sustainable development is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainable development in its operations. The Group is committed to strengthening its management's efforts to promote a sustainable development plan through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate the Group's commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under the Environmental, Social and Governance Reporting Code 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.

By Order of the Board

POLY PROPERTY SERVICES CO., LTD.

Wu Lanyu

Chairman of the Board and Executive Director

Guangzhou, the PRC, 31 March 2026

**To the shareholders of Poly Property Services Co., Ltd.**

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

OPINION

We have audited the consolidated financial statements of Poly Property Services Co., Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 80 to 169, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the 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 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**”) 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.

Key audit matter addressed in the audit

Impairment assessment of trade receivables

As at 31 December 2025, the carrying amount of the trade receivables amounted to approximately RMB3,443,987,000 (net of impairment losses of approximately RMB178,943,000), which represented approximately 19% of total assets of the Group.

The management of the Group estimates the amount of lifetime expected credit losses ("ECLs") of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering repayment history and/or past due status of respective trade receivables arising from contracts with customers. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information.

We identified the impairment assessment of trade receivables arising from contracts with customers as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the ECL of the Group's trade receivables arising from contracts with customers at the end of the reporting period.

The related disclosures are disclosed in notes 3, 4, 18 and 33.2(b) to the consolidated financial statements.

Our procedures in relation to impairment assessment on trade receivables included:

- Obtaining an understanding and evaluating the design, implementation and operating effectiveness of the key controls which govern credit control, debt collection and estimates of expected credit losses;
- Obtaining an understanding of the assumptions and key data of the expected credit loss model adopted by the management, including the basis of the groupings of various customers with similar loss patterns and assessing whether trade receivables were appropriately categorised in the ageing report by comparing a sample of individual items with the underlying sales invoices and other relevant documents; and
- Assessing the reasonableness of management's expected credit loss allowances by examining the information used by management to form such judgements and estimates, including checking the accuracy of the historical default information, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information.



OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 31 March 2025.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises all the information included in the Company's annual report, 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 AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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.

Those charged with governance 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



INDEPENDENT AUDITOR'S 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.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism 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 those charged with governance 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.

We also provide those charged with governance 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 those charged with governance, 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.

BDO Limited

Certified Public Accountants

Yau Shuk Yuen Amy

Practising certificate number P06095

Hong Kong, 31 March 2026



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	17,126,068	16,342,312
Cost of services		(14,140,980)	(13,358,006)
Gross profit		2,985,088	2,984,306
Other income and other gains and losses, net	7	94,335	116,284
Selling and marketing expenses		(15,511)	(11,897)
Administrative expenses		(993,409)	(1,122,016)
Other expenses		(5,116)	(2,298)
Share of results of associates and joint venture	16	4,995	4,772
Finance costs	8	(3,900)	(4,504)
Profit before tax	8	2,066,482	1,964,647
Income tax expense	9	(498,625)	(475,211)
Profit and total comprehensive income for the year		1,567,857	1,489,436
Profits and total comprehensive income for the year attributable to:			
– Owners of the Company		1,549,450	1,473,850
– Non-controlling interests		18,407	15,586
		1,567,857	1,489,436
Earnings per share (expressed in RMB per share)			
– Basic	12	2.81	2.68
– Diluted	12	2.81	2.68

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	13	249,933	239,574
Leased assets and investment properties	14	469,026	729,862
Intangible assets	15	86,441	93,980
Interests in associates and joint venture	16	27,623	25,174
Prepayments for property, plant and equipment	19	9,072	6,711
Deferred tax assets	26	56,585	56,388
Time deposits	20	2,136,213	1,993,544
		3,034,893	3,145,233
Current assets			
Inventories	17	29,114	31,635
Trade and bills receivables	18	3,444,378	2,815,815
Prepayments, deposits and other receivables	19	934,216	897,883
Time deposits	20	103,165	–
Cash and cash equivalents	21	10,709,927	9,890,671
		15,220,800	13,636,004
Current liabilities			
Trade payables	22	3,172,411	2,754,128
Accruals and other payables	23	1,932,953	2,008,353
Contract liabilities	24	2,071,636	1,823,909
Lease liabilities	25	41,614	42,889
Income tax payable		231,366	211,304
		7,449,980	6,840,583
Net current assets		7,770,820	6,795,421
Total assets less current liabilities		10,805,713	9,940,654



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities	25	60,035	62,757
Deferred tax liabilities	26	4,965	6,549
		65,000	69,306
Net assets		10,740,713	9,871,348
Capital and reserves			
Share capital	27	553,333	553,333
Reserves		10,000,042	9,147,681
Equity attributable to owners of the Company		10,553,375	9,701,014
Non-controlling interests		187,338	170,334
Total equity		10,740,713	9,871,348

The consolidated financial statements on pages 80 to 169 were approved and authorised for issue by the board of directors on 31 March 2026 and are signed on its behalf by:

Wu Lanyu
Director

Wang Yingnan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For the year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000 (Note (a))	Shares held under the restricted share incentive scheme RMB'000 (Note 28)	Capital reserve RMB'000	Statutory reserve RMB'000 (Note (b))	Share-based payments reserve RMB'000 (Note 28)	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	553,333	4,535,479	(166,009)	(1,549)	276,667	60,301	3,461,683	8,719,905	156,629	8,876,534
Profit and total comprehensive income for the year	-	-	-	-	-	-	1,473,850	1,473,850	15,586	1,489,436
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	3,250	3,250
Effect of shares vested under restricted share incentive scheme (Note 28)	-	-	45,726	12,704	-	(28,413)	-	30,017	-	30,017
Shares sold which were held under restricted share incentive scheme (Note 28)	-	-	3,909	(775)	-	-	-	3,134	-	3,134
Recognition of equity-settled share-based payments	-	-	-	-	-	26,335	-	26,335	-	26,335
Dividends declared to the non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(2,860)	(2,860)
Dividend recognised as distribution (Note 11)	-	-	-	-	-	-	(552,227)	(552,227)	-	(552,227)
Deregistration of subsidiaries	-	-	-	-	-	-	-	-	(2,271)	(2,271)
At 31 December 2024 and 1 January 2025	553,333	4,535,479	(116,374)	10,380	276,667	58,223	4,383,306	9,701,014	170,334	9,871,348
Profit and total comprehensive income for the year	-	-	-	-	-	-	1,549,450	1,549,450	18,407	1,567,857
Effect of shares vested under restricted share incentive scheme (Note 28)	-	-	52,994	16,454	-	(34,548)	-	34,900	-	34,900
Shares forfeited and sold by the Trustee under restricted share incentive scheme (Note 28)	-	-	19,571	2,785	-	-	-	22,356	-	22,356
Reversal of equity-settled share-based payments (Note 28)	-	-	-	-	-	(17,316)	-	(17,316)	-	(17,316)
Dividends declared to the non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(387)	(387)
Dividend recognised as distribution (Note 11)	-	-	-	-	-	-	(737,040)	(737,040)	-	(737,040)
Acquisition of non-controlling interests of subsidiaries	-	-	-	11	-	-	-	11	-	11
Deregistration of subsidiaries	-	-	-	-	-	-	-	-	(1,016)	(1,016)
At 31 December 2025	553,333	4,535,479	(43,809)	29,630	276,667	6,359	5,195,716	10,553,375	187,338	10,740,713

Notes:

- Share premium account of the Company represents the excess of the proceeds received over the nominal value of the Company's shares issued.
- Statutory reserve represented the amount transferred from net profit for the year of the Company, based on the People's Republic of China ("PRC") statutory financial statements, in accordance with the relevant PRC laws until the statutory reserves reach 50% of the registered capital. The statutory reserves cannot be reduced except either in setting off the accumulated losses or increasing capital.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations	34	2,312,192	2,734,977
Income tax paid		(481,138)	(427,717)
Interest paid		(3,900)	(4,504)
Net cash generated from operating activities		1,827,154	2,302,756
Investing activities			
Dividends received from an associate		2,546	–
Purchases of property, plant and equipment		(44,979)	(66,515)
Additions to leased assets and other investment properties		(3,715)	(839,993)
Capital injection in associates		–	(4,900)
Proceeds on disposal of property, plant and equipment		1,548	1,999
Placement of time deposits		(199,889)	(1,976,000)
Net cash inflow on acquisition of a subsidiary	30	5,942	–
Interest received		13,099	67,059
Net cash used in investing activities		(225,448)	(2,818,350)
Financing activities			
Dividends paid to owners of the Company	11	(737,040)	(552,227)
Dividends paid to non-controlling interests		(387)	(2,860)
Repayments of restricted share incentive scheme		(36,651)	(3,412)
Repayments of lease liabilities	34	(29,412)	(33,362)
Payments on acquisition of additional interest in a subsidiary		–	(16,917)
Contributions from non-controlling interests		–	3,250
Proceeds from shares forfeited and sold by the Trustee under restricted share incentive scheme	28	22,356	3,134
Payment to non-controlling interests on deregistration of subsidiaries		(1,016)	(2,271)
Net cash used in financing activities		(782,150)	(604,665)
Net increase/(decrease) in cash and cash equivalents		819,556	(1,120,259)
Cash and cash equivalents at beginning of the year		9,890,671	11,011,462
Effect of exchange rate changes on cash and cash equivalents		(300)	(532)
Cash and cash equivalents at end of the year		10,709,927	9,890,671



1 GENERAL INFORMATION

Poly Property Services Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 26 June 1996 under the PRC Companies Law. On 25 October 2016, 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 at 48-49th Floor, Poly Plaza, No. 832 Yue Jiang Zhong Road, Hai Zhu District, Guangzhou, Guangdong Province, the PRC. The Company’s principal place of business is located in the PRC.

The Company was listed on The Stock Exchange of Hong Kong Limited on 19 December 2019.

The Company’s immediate holding company is Poly Developments and Holdings Group Co., Ltd. (“**Poly Developments and Holdings**”) whose shares are listed on the Main Board of Shanghai Stock Exchange in the PRC. The Company’s ultimate holding company is China Poly Group Corporation Limited (“**China Poly Group**”), a central state-owned enterprise established in the PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are the provision of property management services, value-added services to non-property owners and community value-added services in the PRC.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company, unless otherwise stated.

2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

2.2 New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume11 ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for HKFRS 18 mentioned below, the Group anticipates that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group has preliminarily assessed the impact of HKFRS 18 on the Group's consolidated financial statements, and expects the application of the new standard will affect the presentation of the statement of profit or loss, statement of financial position and disclosures in the future financial statements, such as presenting all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, presenting two new defined subtotals, and presenting goodwill in the statement of financial position as a separate line item.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment (“**HKFRS 2**”), leasing transactions that are accounted for in accordance with HKFRS 16 Leases (“**HKFRS 16**”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets (“**HKAS 36**”).

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments ("HKFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the “**Conceptual Framework**”) except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (“**HKAS 37**”) or HK(IFRIC)-Int 21 *Leases* (“**HK(IFRIC)-Int 21**”), in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that: (Continued)

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that does not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating units within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained, unless the Group can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives or consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met: (Continued)

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Principal versus agent (Continued)

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group provides property management services, value-added services to non-property owners and community value-added services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Further details of the Group's revenue recognition policies are as follows:

(a) Property management 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.

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is primarily responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of services.

For property management services income from properties managed under commission basis, the Group recognises the commission, which is calculated by certain percentage of the total property management fee received or receivable from the property units, as its revenue for arranging and monitoring the services as provided by other suppliers to the property owners.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

(b) Value-added services to non-property owners

Value-added services to non-property owners mainly include preliminary planning and design consultancy services to property developers or other property management service providers and cleaning, security, greening and repair and maintenance services to property developers at the pre-delivery stage. 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.

(c) Community value-added services

For community value-added services, 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.

If contracts involve the sale of multiple services, the transaction price will be 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.

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

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted for on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including a contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Non-lease components are separated from the lease component and are accounted for by applying other applicable standards.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as “Right-of-use assets – leased properties” in “Property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets that meet the definition of investment property are presented as “Leased assets” within “Leased assets and investment properties”.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend 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;



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments include: (Continued)

- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “**lease modifications**”).

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications (Continued)

The Group accounts for a lease modification as a separate lease if: (Continued)

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “Other income and other gains and losses, net”.

Employee benefits

Defined contribution retirement plan

Pursuant to the relevant regulations of the PRC government, the Group participates in a central pension scheme operated by the local municipal government (the “**Scheme**”), whereby the Group in the PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the years in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to capital reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment of property, plant and equipment (including right-of-use assets), leased assets and investment properties, interests in associates and joint venture, prepayments for property, plant and equipment and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment (including right-of-use assets), leased assets and investment properties, interests in associates and joint venture, prepayments for property, plant and equipment and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment (including right-of-use assets), leased assets and investment properties, interests in associates and joint venture, prepayments for property, plant and equipment and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment of property, plant and equipment (including right-of-use assets), leased assets and investment properties, interests in associates and joint venture, prepayments for property, plant and equipment and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade and bill receivables, deposits and other receivables, time deposits and cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iii) Credit-impaired financial assets (Continued)

- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bill receivables and deposits and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other income and other gains and losses, net" line item (Note 7) as part of the net foreign exchange gains/(losses).



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade payables and other payables are subsequently measured at amortised cost, using the effective interest method.



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);



3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply: (Continued)
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty are as follows:

(i) Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables.

The provision rates are based on the nature of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort.

At the end of the reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables is disclosed in Note 33.2(b).



4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(ii) Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 December 2025, the carrying amount of goodwill is RMB64,964,000 (2024: RMB63,993,000). Details of the recoverable amount calculation are disclosed in Note 15.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (“**CODM**”). The CODMs, who are responsible for allocating resources and assessing the performance of the operating segments, have been identified as the executive directors of the Company.

The Group is engaged in the provision of property management services, value-added services to non-property owners and community value-added services and the CODMs of the Company regards that there is only one segment which is used to make strategic decisions. Accordingly, no other discrete financial information is provided other than the Group’s results and financial position as a whole and only entity-wide disclosures, major customers and geographical information are presented.

Geographical information

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

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

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Poly Developments and Holdings and its subsidiaries (collectively referred to as “ Poly Developments and Holdings Group ”)	2,025,040	2,168,287



6 REVENUE

Revenue is mainly derived from the provision of property management services, value-added services to non-property owners and community value-added services. The disaggregation of the Group's revenue by category for the years ended 31 December 2025 and 2024 is as follows:

	2025 RMB'000	2024 RMB'000
Types of goods or services		
Property management services	13,149,815	11,674,489
Value-added services to non-property owners		
– Pre-delivery services and other value-added services to non-property owners	1,399,281	1,647,248
Community value-added services	2,340,138	2,707,720
Revenue from contracts with customers	16,889,234	16,029,457
Value-added services to non-property owners		
– Rental income	236,834	312,855
Total	17,126,068	16,342,312
	2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
Property management services		
– Over time	13,149,815	11,674,489
Value-added services to non-property owners		
– Over time	1,399,281	1,647,248
– Over the lease term	236,834	312,855
Community value-added services		
– Over time	1,973,180	1,908,837
– At a point in time	366,958	798,883
Total	17,126,068	16,342,312

7 OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	2025	2024
	RMB'000	RMB'000
Other income:		
Bank interest income	65,079	62,135
Other interest income (Note (a))	8,531	11,031
Government grants and tax incentives (Note (b))	15,406	23,305
Penalty income	15,860	14,764
Others	30,111	24,317
	134,987	135,552
Other gains and losses, net:		
Gains on modification of lease contracts, net	7,221	4,899
Losses on disposal of property, plant and equipment, net	(1,092)	(39)
Impairment loss on trade and bills receivables (Note 33.2(b))	(50,389)	(24,990)
Reversal of impairment loss on deposits and other receivables (Note 33.2(b))	3,908	1,394
Exchange losses, net	(300)	(532)
	(40,652)	(19,268)
	94,335	116,284

Notes:

- (a) Other interest income mainly arose from the deposits maintained with a fellow subsidiary of the Company, Poly Finance Company Limited.
- (b) Government grants mainly represented the financial support received from the local government as an incentive for business development and there are no unfulfilled conditions attached to the government grants.



8 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following:

	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment (Note 13)	94,130	96,587
Depreciation of leased assets and investment properties (Note 14)	276,362	280,239
Amortisation of intangible assets (included in "cost of services") (Note 15)	8,510	9,886
	379,002	386,712
Auditor's remuneration		
– Audit services	2,750	2,860
– Non-audit services	500	500
	3,250	3,360
Finance costs – interest on lease liabilities	3,900	4,504
Cost of goods sold	310,578	727,017
Staff costs (including Directors' emoluments (Note 10)):		
– Salaries and bonus	2,971,820	3,195,227
– Pension costs, housing funds, medical insurances and other social insurances	531,499	570,469
– Equity-settled share-based expenses (Note 28) (Note 10)	(17,316)	26,335
	3,486,003	3,792,031



9 INCOME TAX EXPENSE

Taxation in the consolidated statement of profit or loss and other comprehensive income:

	2025 RMB'000	2024 RMB'000
Current tax		
PRC Enterprise Income Tax ("EIT")		
– Provision for the year	492,111	476,209
– Under-provision in respect of prior years	8,295	2,524
	500,406	478,733
Deferred tax (Note 26)	(1,781)	(3,522)
	498,625	475,211

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for the years ended 31 December 2025 and 2024.

The PRC EIT represents tax charged on the estimated assessable profits arising in the PRC. In general, the Company's subsidiaries operating in the PRC are subject to PRC EIT at the rate of 25% (2024: 25%), except for certain subsidiaries which are entitled to preferential tax rates, as determined in accordance with the relevant tax rules and regulations in the PRC.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	2,066,482	1,964,647
Tax at PRC EIT rate of 25% (2024: 25%)	516,621	491,161
Tax effect of share of results of associates and joint venture	(1,249)	(1,193)
Tax effect of expenses not deductible for tax purposes	2,773	4,545
Tax effect of tax losses not recognised	1,233	6,459
Utilisation of tax losses previously not recognised	(4,759)	(1,042)
Tax effects of different tax rates applicable to different subsidiaries of the Company	(16,564)	(19,547)
Others	(7,725)	(7,696)
Under-provision in respect of prior years	8,295	2,524
Income tax expense	498,625	475,211



10 DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS

(a) Directors', supervisors' and chief executive's emoluments

Details of directors', supervisors' and chief executive's emoluments for the years, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Fees (Note (vii)) RMB'000	Salaries, allowance and benefit in kind (Note (vii)) RMB'000	Performance- based bonus (Note (vii)) RMB'000	Pension costs, housing funds, medical insurances and other social insurances RMB'000	Share-based payments (Note (viii)) RMB'000	Total RMB'000
Year ended 31 December 2025						
Executive directors						
Ms. Wu Lanyu (Note (i))	-	522	1,494	110	(471)	1,655
Mr. Yao Yucheng (Note (ii))	-	545	1,002	164	(88)	1,623
Non-executive directors						
Mr. Liu Ping	-	-	-	-	-	-
Mr. Liu Zhihui (Note (iii))	-	-	-	-	-	-
Mr. Huang Hai (Note (iv))	-	-	-	-	-	-
Independent non-executive directors						
Mr. Wang Xiaojun	200	-	-	-	-	200
Ms. Tan Yan	200	-	-	-	-	200
Mr. Zhang Liqing	200	-	-	-	-	200
Supervisors						
Ms. Liao Moqiong (Note (v))	-	99	525	-	-	624
Mr. Yang Haibo (Note (v))	-	-	-	-	-	-
Ms. Mu Jing (Note (vi))	-	183	220	32	-	435
	600	1,349	3,241	306	(559)	4,937

10 DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

Details of directors', supervisors' and chief executive's emoluments for the years, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows: (Continued)

	Fees RMB'000	Salaries, allowance and benefit in kind RMB'000	Performance- based bonus RMB'000	Pension costs, housing funds, medical insurances and other social insurances RMB'000	Share-based payments (Note (viii)) RMB'000	Total RMB'000
Year ended 31 December 2024						
Executive director						
Ms. Wu Lanyu	-	825	1,774	155	558	3,312
Non-executive directors						
Mr. Liu Ping	-	-	-	-	-	-
Mr. Huang Hai	-	-	-	-	-	-
Mr. Hu Zaixin (Note (vi))	-	-	-	-	-	-
Independent non-executive directors						
Mr. Wang Xiaojun	200	-	-	-	-	200
Ms. Tan Yan	200	-	-	-	-	200
Mr. Zhang Liqing	200	-	-	-	-	200
Supervisors						
Ms. Liao Moqiong	-	860	943	138	-	1,941
Mr. Yang Haibo	-	-	-	-	-	-
Ms. Mu Jing	-	328	233	47	-	608
Chief executive						
Mr. Yao Yucheng	-	802	1,060	154	758	2,774
	600	2,815	4,010	494	1,316	9,235

Notes:

- (i) Appointed as the deputy general manager of Poly Developments and Holdings on 8 August 2025 and receives remuneration from Poly Developments and Holdings.
- (ii) Appointed as an executive director on 6 June 2025, and subsequently resigned as the chief executive and executive director on 27 January 2026.
- (iii) Appointed on 6 June 2025.
- (iv) Resigned on 31 March 2025.
- (v) Resigned on 29 July 2025.
- (vi) Resigned on 13 March 2024.
- (vii) For the directors, these amounts represent the pre-tax compensation actually paid by the Company for the year ended 31 December 2025. For the supervisors, these amounts represent the pre-tax compensation actually paid by the Company for the period from 1 January 2025 to 31 August 2025.
- (viii) The amount represents share-based payment expenses arising from restricted shares granted by the Company over the vesting period and reversal of the share-based payment expenses arising from forfeited restricted shares (2024: share-based payment expenses arising from restricted shares granted by the Company over the vesting period). No amounts were received in cash or have yet been settled in cash for the years ended 31 December 2025 and 2024.



10 DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

No directors received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2025 and 2024.

None of the directors has waived or agreed to waive any emoluments for the years ended 31 December 2025 and 2024.

(b) Five highest paid individuals

The five highest paid individuals of the Group during the year included two directors (2024: one director), details of whose remuneration are set out in Note 10(a) above. Details of the remuneration for the year of the remaining three (2024: four) highest paid individuals who are neither a director nor supervisor of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowance and benefit in kind	1,322	2,942
Performance-based bonus	2,415	4,158
Pension costs, housing funds, medical insurances and other social insurances	473	571
Equity-settled share-based expense	(416)	2,332
	3,794	10,003

The number of the highest paid individuals who are neither a director nor supervisor of the Company whose remuneration fell within the following bands is as follows:

	Number of individuals	
	2025	2024
Emolument bands (in HK dollar)		
HKD1,000,001 to HKD1,500,000	3	–
HKD1,500,001 to HKD2,000,000	–	–
HKD2,000,001 to HKD2,500,000	–	1
HKD2,500,001 to HKD3,000,000	–	2
HKD3,000,001 to HKD3,500,000	–	1

Notes:

- The remuneration for the year of the highest paid individuals who are neither a director nor a supervisor includes share-based payment expenses arising from the restricted shares granted by the Company during the vesting period and the reversal of share-based payment expenses due to forfeited restricted shares.
- None of the above highest paid individuals who are neither a director nor supervisor of the Company received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2025 and 2024.



11 DIVIDENDS

During the year ended 31 December 2024, final dividend of RMB552,226,733 (tax inclusive) in respect of 2023 was declared and paid.

During the year ended 31 December 2025, final dividend of RMB737,040,089 (tax inclusive) in respect of 2024 was declared and paid.

Subsequent to the end of the reporting period, the directors proposed a final dividend of RMB1.401 (tax inclusive) per share, amounting to a total of RMB775,220,093 (tax inclusive) (2024: final dividend of RMB1.332 (tax inclusive) per share, amounting to a total of RMB737,040,089 (tax inclusive)). The final dividend amount which shall be subject to the approval of the shareholders at the annual general meeting to be held on 29 May 2026 has not been recognised as a liability at the end of the reporting period.

12 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Earnings		
Profit attributable to owners of the Company	1,549,450	1,473,850
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note (a))	551,338	549,319
Effect of shares under restricted share incentive scheme (Note (b))	145	175
Weighted average number of ordinary shares for the purpose of diluted earnings per share (Note (b))	551,483	549,494

Notes:

- On 18 February 2022, the shareholders of the Company approved the adoption of a restricted share incentive scheme. During the year ended 31 December 2025, 1,579,776 H shares of the Company were vested, while 1,653,242 H shares of the Company were forfeited, of which 583,420 H Shares were sold to the secondary market by an independent trustee (the "Trustee") appointed by the Company (Note 28). During the year ended 31 December 2024, 1,363,098 H shares of the Company were vested and 116,536 H shares of the Company were lapsed and sold to the secondary market by the Trustee appointed by the Company (Note 28).
- Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2025 and 2024, the number of shares calculated as above was compared with the number of shares that would have been issued, assuming the conversion of the restricted shares granted under the restricted share incentive scheme (Note 28), with the difference being adjusted in arriving at the weighted average number of shares for diluted earnings per share.



13 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets- leased properties RMB'000	Owned properties RMB'000	Leasehold improvements RMB'000	Computer equipment RMB'000	Electronic equipment RMB'000	Transportation equipment RMB'000	Furniture and equipment RMB'000	Total RMB'000
COST								
At 1 January 2024	118,935	2,343	82,129	30,138	166,753	83,301	60,294	543,893
Additions	36,776	–	22,166	3,087	21,227	6,557	11,097	100,910
Lease modifications and disposals	(33,791)	–	(32,113)	(8)	(9,621)	(1,800)	(3,646)	(80,979)
At 31 December 2024 and 1 January 2025	121,920	2,343	72,182	33,217	178,359	88,058	67,745	563,824
Additions	57,532	–	25,904	9,073	22,413	5,251	9,981	130,154
Acquisition of a subsidiary	–	1,641	–	–	–	–	–	1,641
Lease modifications and disposals	(82,501)	–	(324)	(124)	(11,934)	(3,103)	(3,283)	(101,269)
At 31 December 2025	96,951	3,984	97,762	42,166	188,838	90,206	74,443	594,350
DEPRECIATION								
At 1 January 2024	51,621	921	41,632	9,957	130,584	30,941	36,376	302,032
Provided for the year	30,121	75	18,988	6,445	20,219	10,894	9,845	96,587
Lease modifications and eliminated on disposals	(29,219)	–	(32,113)	(8)	(8,585)	(1,269)	(3,175)	(74,369)
At 31 December 2024 and 1 January 2025	52,523	996	28,507	16,394	142,218	40,566	43,046	324,250
Provided for the year	25,355	1,667	20,775	5,735	19,635	11,697	9,266	94,130
Lease modifications and disposals	(57,616)	–	–	(3)	(11,158)	(2,180)	(3,006)	(73,963)
At 31 December 2025	20,262	2,663	49,282	22,126	150,695	50,083	49,306	344,417
NET CARRYING VALUE								
At 31 December 2025	76,689	1,321	48,480	20,040	38,143	40,123	25,137	249,933
At 31 December 2024	69,397	1,347	43,675	16,823	36,141	47,492	24,699	239,574



13 PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis over their estimated useful lives.

Leased properties	Over the term of the lease
Owned properties	20-40 years
Leasehold improvements	Shorter of the unexpired lease terms and their useful lives
Computer equipment	3-10 years
Electronic equipment	3-5 years
Transportation equipment	5-10 years
Furniture and equipment	3-8 years

The Group as lessee

Right-of-use assets (included in the property, plant and equipment and leased assets and investment properties)

	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	30,362	42,150
Variable lease payments not included in the measurement of leased liabilities	–	10,041
Total cash outflow for leases	59,774	915,505
Additions to right-of-use assets	57,532	820,386

For both years, the Group leases various properties either as its office or for sub-leasing purpose. Property leases are made for fixed periods of one to ten years (2024: one to ten years). Lease terms are negotiated on an individual basis and contain various different terms and conditions. The lease agreements do not impose any covenants and leased assets may not be used as security for borrowing purposes.

The lease of certain properties under head lease agreements with Poly Developments and Holdings Group consists of fixed lease payments and variable lease payments that are adjusted and settled with reference to the total actual rent received during that period in respect of the relevant subject properties.

Extension options are included in a number of properties across the Group. Periods covered by extension options were included in these lease terms if the Group was reasonably certain to exercise the options.

As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

The owned properties are held for own use and situated in the PRC.

At 31 December 2025 and 2024, no property, plant and equipment was pledged.



14 LEASED ASSETS AND INVESTMENT PROPERTIES

	Leased assets RMB'000	Other investment properties RMB'000	Total RMB'000
COST			
At 1 January 2024	946,457	20,554	967,011
Additions	783,610	–	783,610
Eliminated upon end of leases and lease modifications	(833,654)	–	(833,654)
At 31 December 2024 and 1 January 2025	896,413	20,554	916,967
Additions	–	15,526	15,526
Lease modifications	(23,295)	–	(23,295)
At 31 December 2025	873,118	36,080	909,198
DEPRECIATION			
At 1 January 2024	735,503	5,017	740,520
Provided for the year	279,581	658	280,239
Eliminated upon end of leases and lease modifications	(833,654)	–	(833,654)
At 31 December 2024 and 1 January 2025	181,430	5,675	187,105
Provided for the year	275,456	906	276,362
Lease modifications	(23,295)	–	(23,295)
At 31 December 2025	433,591	6,581	440,172
NET CARRYING VALUE			
At 31 December 2025	439,527	29,499	469,026
At 31 December 2024	714,983	14,879	729,862

The above leased assets and other investment properties are depreciated on a straight-line basis over their estimated useful lives:

Leased assets	Over the terms of the lease
Other investment properties	50 years

14 LEASED ASSETS AND INVESTMENT PROPERTIES (Continued)

Fair values of the leased assets and other investment properties as at 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Leased assets in the PRC	498,100	824,300
Other investment properties in the PRC	58,787	30,220
	556,887	854,520

The fair value of the Group's leased assets as at 31 December 2025 has been determined by valuations conducted by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (仲量聯行企業評估及諮詢有限公司) (2024: APAC Asset Valuation and Consulting Limited (亞太資產評估及顧問有限公司)), an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the leased assets being valued.

The fair value of the Group's other investment properties as at 31 December 2025 and 2024 are determined by valuations conducted by Guangzhou Yeqin Assets & Land and Real Estate Appraisal Co., Ltd. (廣州業勤資產評估土地房地產估價有限公司) and Yangzhou Tianhong Real Estate Appraisal Co., Ltd. (揚州天泓房地產評估造價有限公司), both are independent valuers who hold recognised and relevant professional qualification and have recent experience in the location and category of the other investment properties being valued.

The fair values of commercial properties under leased assets and other investment properties were determined based on income-based approach.

For income-based approach, the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The discount rate is determined by reference to the yields derived from analysing the sales transactions of similar commercial properties and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's leased assets and other investment properties.

The fair values of carpark spaces and clubhouse under other investment properties were determined based on the market approach and income-based approach respectively.

For market approach, the fair value was estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for differences in locations and other factors specific to the respective properties based on the valuers' judgement.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.



14 LEASED ASSETS AND INVESTMENT PROPERTIES (Continued)

The fair value measurement is categorised into Level 3 fair value hierarchy.

For the year ended 31 December 2025, cash outflow of RMB5,555,000 (2024: RMB846,483,000) represented the amount paid for leased properties that were sub-leased to independent third parties.

For the year ended 31 December 2025, the direct operating expenses incurred for the leased assets and investment properties that generated rental income accounted for RMB236,355,000 (2024: RMB297,545,000).

Leased assets and investment properties rented out under operating leases

The Group rents out its leased assets and other investment properties to related- and third-parties tenants for rental income under operating leases. The rental agreements are typically entered into with tenants at the start, with or without option to renew after that date at which time all terms are renegotiated.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of Group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

Undiscounted lease payments receivable under non-cancellable operating lease arrangements are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	214,765	227,186
One to two years	108,626	144,105
Two to three years	3,739	109,118
Three to four years	2,378	2,975
Four to five years	2,253	1,984
Over five years	–	2,066
	331,761	487,434

15 INTANGIBLE ASSETS

	Property management contracts RMB'000	Goodwill RMB'000	Total RMB'000
COST			
At 1 January 2024, 31 December 2024 and 1 January 2025	85,000	63,993	148,993
Acquisition of a subsidiary (Note 30)	–	971	971
At 31 December 2025	85,000	64,964	149,964
AMORTISATION			
At 1 January 2024	45,127	–	45,127
Amortisation	9,886	–	9,886
At 31 December 2024 and 1 January 2025	55,013	–	55,013
Amortisation	8,510	–	8,510
At 31 December 2025	63,523	–	63,523
NET CARRYING VALUE			
At 31 December 2025	21,477	64,964	86,441
At 31 December 2024	29,987	63,993	93,980

The intangible assets arising from property management contracts and goodwill arose from acquisition of subsidiaries from third parties.

Property management contracts have finite useful lives and are amortised on a straight-line basis over 3-10 years.

Impairment test on goodwill is performed at least annually.

For the purposes of impairment testing, goodwill has been allocated to individual CGUs. The carrying amounts of goodwill allocated to these units are as follows:

	2025 RMB'000	2024 RMB'000
Hunan Poly Tianchuang Property Development Co., Ltd. ("Poly Tianchuang")	46,129	46,129
Chengdu Vastrong Property Development Co., Ltd. ("Vastrong Property")	17,864	17,864
Shanghai Jiansheng Property Service Co., Ltd. ("Shanghai Jiansheng")	971	–
	64,964	63,993



15 INTANGIBLE ASSETS (Continued)

In addition to goodwill, property management contracts and property, plant and equipment that generate cash flows together with the related goodwill are also included in the respective groups of CGUs for the purpose of impairment assessment.

The recoverable amounts of the above groups of CGUs have been determined based on value in use calculations. Those calculations use cash flow projections based on financial budgets approved by management covering a five-year (2024: five-year) period with growth rates of 2% – 8% (2024: 2% – 5%) and pre-tax discount rates of 13.1% – 13.9% (2024: 12.9% – 14.7%). These groups of CGUs' cash flows beyond the five-year (2024: five-year) period are using 2% (2024: 2%) growth rates.

Pre-tax discount rates applied reflect the current market assessments of the time value of money and the risks specific to each of the group of CGUs. The growth rates within the five-year (2024: five-year) period have been based on past experience. The cash flows beyond the five-year (2024: five-year) period are extrapolated using estimated growth rates stated above. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. The recoverable amounts are significantly above the carrying amounts of those CGUs. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of each of the CGUs to exceed their respective recoverable amount.

During the years ended 31 December 2025 and 2024, management of the Group determines that there is no impairment to be recognised on these groups of CGUs.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Cost of investments in associates and joint venture, unlisted	14,950	14,950
Share of post-acquisition profits and other comprehensive income, net of dividend received	12,673	10,224
	27,623	25,174
Share of results of associates and joint venture	4,995	4,772
Dividends received	2,546	–

16 INTERESTS IN ASSOCIATES AND JOINT VENTURE (Continued)

Details of the Group's associates and joint venture at the end of the reporting period are as follows:

Name of associate/ joint venture	Place of incorporation/ Operation	Relationship	Proportion of ownership interest/ voting rights held by the Group		Principal activities
			2025	2024	
Hunan Ningxiang City Bao Chuang City Co., Ltd. 湖南寧鄉城發保創城市 服務有限公司	the PRC	Associate	49.00%	49.00%	Property management services
Quzhou City Investment Insurance Creation City Service Co., Ltd. 衢州城投保創城市 服務有限公司	the PRC	Associate	49.00%	49.00%	Property management services
Baozhi Enterprise Management (Guangdong) Co., Ltd. 保智企業管理(廣東)有限公司	the PRC	Associate	49.00%	49.00%	Other human resources services
Shanghai Pu Jiali Urban Construction Services Co., Ltd 上海浦家利城市建設 服務有限公司	the PRC	Associate	49.00%	49.00%	Property management services
Shanxi Deao Elevator Co., Ltd. 山西德奧電梯工程有限公司	the PRC	Joint venture	45.00%	45.00%	Elevator repair and maintenance services

Notes:

- (i) The English names of associates and joint venture listed above are translated for identification purpose only.

All of the above associates and joint venture are accounted for using the equity method in the consolidated financial statements.

The above associates and joint venture were not individually material to the Group.

17 INVENTORIES

	2025 RMB'000	2024 RMB'000
Carpark spaces	14,750	17,450
Raw materials	369	1,678
Consumables goods and other inventories	13,995	12,507
	29,114	31,635

18 TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables		
– Related parties (Note 36(c))	636,873	580,053
– Third parties	2,986,057	2,345,638
	3,622,930	2,925,691
Less: allowance for credit losses	(178,943)	(128,365)
	3,443,987	2,797,326
Bills receivables	391	18,489
	3,444,378	2,815,815

Trade receivables arise from income generated by property management services, value-added services to non-property owners and community value-added services.

All of the service incomes are due for payment upon issuance of demand note and most of the credit terms were granted to property management services provided to public service projects range from 30 to 90 days in general.

The following is an ageing analysis of trade and bills receivables net of allowance for credit losses presented based on the invoice dates:

	2025 RMB'000	2024 RMB'000
Within one year	3,080,054	2,622,102
One to two years	298,222	171,623
Over two years	66,102	22,090
	3,444,378	2,815,815

All bills received by the Group are with a maturity period of less than one year.

Details of impairment assessment of trade and bills receivables are set out in Note 33.2(b).

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025	2024
	RMB'000	RMB'000
Prepayments		
– Prepayments for property, plant and equipment	9,072	6,711
– Prepayments to suppliers (Note (a))	89,452	95,070
	98,524	101,781
Deposits and other receivables		
– Deposits	211,404	188,605
– Payments on behalf of property owners and residents	505,065	546,377
– Interest receivables (Note (b))	22,136	7,560
– VAT receivables	102,773	85,364
– Others	39,400	14,687
	880,778	842,593
Less: allowance for credit losses	(36,014)	(39,780)
	844,764	802,813
	943,288	904,594
	2025	2024
	RMB'000	RMB'000
Analysed for reporting purposes:		
Non-current portion	9,072	6,711
Current portion	934,216	897,883
	943,288	904,594

Notes:

- (a) As at 31 December 2025 and 2024, included in the balance are prepayments for rental expenses to Poly Developments and Holdings Group, which amounts to RMB1,565,000 and RMB729,000 respectively.
- (b) As at 31 December 2025 and 2024, included in the balance are interest receivables from the deposit maintained with a fellow subsidiary, which amounts to RMB113,000 and RMB362,000 respectively. Please refer to Note 7(a) for further details.



20 TIME DEPOSITS

	2025 RMB'000	2024 RMB'000
Deposit certificates	2,239,378	1,993,544
Analysed for reporting purposes:		
Non-current portion	2,136,213	1,993,544
Current portion	103,165	–

The balance represents deposit certificates with the principal amount of RMB2,175,889,000 (2024: RMB1,976,000,000) purchased from licensed banks in the PRC, bearing interest at the fixed rates from 1.75% to 2.60% per annum with original maturity periods of 24 to 36 months. The contractual terms of the time deposits give rise to cash inflows on specified dates that are solely payments of principal and interest on the outstanding principal amount. These deposits are held within a business model with the objective to hold to collect contractual cash flows. Therefore, the time deposits are accounted for as financial assets at amortised cost.

21 CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash on hand	48	34
Cash at banks and financial institutions	10,709,879	9,890,637
	10,709,927	9,890,671

Cash at banks and financial institutions include demand deposits and short-term time deposits with original maturity within three months when placed for the purpose of meeting the Group's short-term cash commitments which carry interest at market rates.

As at 31 December 2025, cash and cash equivalents in the amount of RMB20,100,000 (2024: RMB30,189,000) and RMB10,689,827,000 (2024: RMB9,860,482,000) are denominated in Hong Kong dollar ("HK\$") and RMB respectively. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies only through banks that are authorised to conduct foreign exchange business. RMB is not freely convertible to other currencies.

As at 31 December 2025, the Group's cash and cash equivalents include deposits in Poly Finance, a licenced financial institution in the PRC, amounting RMB1,969,295,000 (2024: RMB2,003,548,000). The amount is unsecured and interest-bearing at market rate.

22 TRADE PAYABLES

	2025 RMB'000	2024 RMB'000
Related parties (Note 36(c))	98,188	85,861
Third parties	3,074,223	2,668,267
	3,172,411	2,754,128

Majority of the credit terms for purchase of goods and services from suppliers is 30 to 90 days.

The ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	3,022,094	2,654,253
One to two years	131,776	84,277
Over two years	18,541	15,598
	3,172,411	2,754,128

23 ACCRUALS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Deposits received	726,106	862,901
Temporary receipts from property owners	975,208	880,156
Accrued salaries and other allowances	81,754	109,589
Other tax payables	50,250	58,385
Others	99,635	97,322
	1,932,953	2,008,353



24 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Property management services	1,864,809	1,684,809
Value-added services to non-property owners	14,579	16,514
Community value-added services	192,248	122,586
	2,071,636	1,823,909

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Such liabilities increase as a result of the growth of the Group's business.

The Group encourages customers to prepay service fees. This will give rise to contract liabilities upon receipt of prepayment from customers at the start of a contract until the revenue recognised from the relevant contract exceeds the amount of the prepayment. The Group typically receives one month to one year prepayment for the service contract.

The following table shows the amount of revenue recognised which is related to contract liabilities at the beginning of the year.

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
Property management services	1,566,452	1,329,036
Value-added services to non-property owners	16,256	14,522
Community value-added services	95,542	81,718
	1,678,250	1,425,276

24 CONTRACT LIABILITIES (Continued)

(a) Unsatisfied performance obligations

For property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customers of the Group's performance completed to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts. The majority of the property management services contracts do not have a fixed term. The term of the contracts for value-added services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community value-added services, the contracts have an original expected duration of one year or less and the Group has also elected to apply practical expedient to this type of contracts such that the remaining performance obligations under these contracts are not disclosed.

(b) Assets recognised from incremental costs to obtain a contract

During the years ended 31 December 2025 and 2024, there was no significant incremental costs to obtain a contract.

25 LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	41,614	42,889
More than one year but less than two years	29,085	22,832
More than two years but less than five years	24,500	30,986
More than five years	6,450	8,939
	101,649	105,646
Less: Amount due for settlement within 12 months shown under current liabilities	(41,614)	(42,889)
Amount due for settlement after 12 months shown under non-current liabilities	60,035	62,757

The incremental borrowing rates applied to lease liabilities ranging from 3.10% to 4.90% (2024: from 4.75% to 4.90%).



26 DEFERRED TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	56,585	56,388
Deferred tax liabilities	(4,965)	(6,549)
	51,620	49,839

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and prior years:

	Impairment loss on trade and bills receivables RMB'000	Impairment loss on deposits and other Receivables RMB'000	Tax losses RMB'000	Share- based payments RMB'000	Lease liabilities RMB'000	Amortisation on intangible assets RMB'000	Right-of-use assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	25,711	9,744	2,788	15,075	23,770	(8,138)	(21,273)	(1,360)	46,317
Credited/(charged) to profit or loss	5,340	(597)	(2,788)	(519)	(2,621)	2,094	1,727	886	3,522
At 31 December 2024 and 1 January 2025	31,051	9,147	-	14,556	21,149	(6,044)	(19,546)	(474)	49,839
Credited/(charged) to profit or loss	12,917	423	-	(12,966)	1,846	1,888	(1,440)	(887)	1,781
At 31 December 2025	43,968	9,570	-	1,590	22,995	(4,156)	(20,986)	(1,361)	51,620

At the end of the reporting period, the Group had unused tax losses of approximately RMB24,723,000 (2024: RMB47,380,000) available for offset against future profits and no (2024: no) tax losses have been recognised as deferred tax assets. As at 31 December 2025, no deferred tax asset has been recognised in respect of the tax losses of RMB24,723,000 (2024: RMB47,380,000) due to the unpredictability of future profit streams. The unused tax losses can be carried forward for five years from the year of the incurrence and an analysis of their expiry dates is as follows:

	2025 RMB'000	2024 RMB'000
Unused tax losses expiring in:		
2025	-	2,211
2026	-	2,325
2027	10,942	14,929
2028	-	10,050
2029	10,260	17,865
2030	3,521	-
	24,723	47,380



27 SHARE CAPITAL

	Domestic Shares		Listed H shares		Total	
	Number '000	Amount RMB'000	Number '000	Amount RMB'000	Number '000	Amount RMB'000
Registered, issued and fully paid:						
At 1 January 2024, 31 December 2024 and 1 January 2025	400,000	400,000	153,333	153,333	553,333	553,333
Conversion of Domestic Shares to H shares	(193,667)	(193,667)	193,667	193,667	–	–
At 31 December 2025	206,333	206,333	347,000	347,000	553,333	553,333

The shares mentioned above rank pari passu in all respects with each other.

28 RESTRICTED SHARE INCENTIVE SCHEME

At the Company's extraordinary general meeting held on 18 February 2022, the shareholders of the Company approved the adoption of a restricted share incentive scheme (the "**Scheme**"), with a duration of 10 years. Under the Scheme, the Company may grant restricted shares to qualified participants ("**Scheme Participants**"), subject to the fulfilment of certain performance conditions and service conditions.

All shares granted are subject to a lock-up period of 24 months commencing from the grant date, followed by an unlocking period of 24 months to 60 months. During the lock-up period, the shares granted to the Scheme Participants are not entitled to the right of disposal, such that the shares shall not be transferred, used as collateral or used for debt repayment. After the expiry of the lock-up period, if all conditions for unlocking have been fulfilled, Scheme Participants will be entitled to the related shares. The relevant shares granted shall be unlocked in three tranches in proportion, and unlocking proportion for the first, second and third tranches shall be 33%, 33% and 34% respectively.

On 26 April 2022 ("**First Grant Date**"), the Board approved to implement the initial grant pursuant to the Scheme. The first tranche of 4,282,400 restricted shares were granted at a grant price of HK\$25.71 per share. The fair value of the shares granted on the First Grant Date, determined based on the difference between the closing price on the First Grant Date and the grant price, was HK\$24.94 per share.

On 20 January 2023 ("**Reserved Grant Date**"), the Board approved to implement the reserved grant pursuant to the Scheme. The reserved tranche of 770,800 restricted shares were granted at a grant price of HK\$25.71 per share. The fair value of the shares granted on the Reserved Grant Date, determined based on the difference between the closing price on the Reserved Grant Date and the grant price, was HK\$32.04 per share.

During the year ended 31 December 2024, upon the expiration of the two-year lock-up period and the fulfillment of the unlocking conditions of the first tranche of the initial grant, 1,363,098 H shares of the Company were vested to 159 grantees, except for 116,536 H shares of the Company that were lapsed and sold in the secondary market by the Trustee.

During the year ended 31 December 2025, upon the expiration of the two-year lock-up period and the fulfillment of the unlocking conditions for the first tranche of the reserved grant and the second tranche of the initial grant, 236,148 H shares and 1,343,628 H shares of the Company were vested to 31 grantees and 156 grantees, respectively. As some of the performance conditions for the third tranche of unlocking of the initial grant and reserved grant were not met and due to staff departure, 1,653,242 H shares of the Company were forfeited, of which 583,420 H shares were subsequently sold in the secondary market by the Trustee.



28 RESTRICTED SHARE INCENTIVE SCHEME (Continued)

The following table discloses movements in the number of restricted shares granted for the years ended 31 December 2024 and 2025:

	Weighted average fair value (per share) (HK\$)	Number of restricted shares
Unvested at 1 January 2024	26.05	4,948,800
Vested during the year	24.94	(1,363,098)
Forfeited during the year	28.30	(116,536)
Unvested at 31 December 2024 and 1 January 2025	26.40	3,469,166
Vested during the year	26.00	(1,579,776)
Forfeited during the year	25.98	(1,653,242)
Unvested at 31 December 2025	32.04	236,148

As instructed by the Board, the Trustee is appointed to purchase certain number of H shares from the secondary market for the Scheme, and the purchased shares will be held by the Trustee until such shares are vested in accordance with the provisions of the Scheme. Upon vesting, the Trustee will transfer the shares to the Scheme Participants. If the performance conditions or service conditions are not fulfilled and the corresponding tranche of shares granted to be vested cannot be unlocked, the restricted shares not being unlocked shall be purchased back by the Trustee or other third parties in accordance with the Scheme.

Movements of shares held by the Trustee under the Scheme are as follows:

	Number of restricted shares	Amount RMB'000
At 1 January 2024	4,948,800	166,009
Vested during the year	(1,363,098)	(45,726)
Sold during the year	(116,536)	(3,909)
At 31 December 2024 and 1 January 2025	3,469,166	116,374
Vested during the year	(1,579,776)	(52,994)
Sold during the year	(583,420)	(19,571)
At 31 December 2025	1,305,970	43,809

The Group recognised total share-based payment expenses of RMB5,331,000 for the year ended 31 December 2025 (2024: RMB26,335,000) in relation to restricted shares granted by the Company.

During the year ended 31 December 2025, the Group reversed share-based payment expenses recognised in previous years of RMB22,647,000 (2024: nil) in total as some of the performance conditions for the third tranche of unlocking of the initial grant and reserved grant were not met.

29 CAPITAL COMMITMENTS

	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	9,215	12,678

30 ACQUISITION OF SUBSIDIARY

On 21 February 2025, the Company acquired the entire interest in Shanghai Jiansheng from an independent third party. Shanghai Jiansheng is principally engaged in property management services and was acquired with the objective of expanding the Group's relevant business. The acquisition had been accounted for an acquisition of business using acquisition method.

Assets acquired and liabilities recognised at the date of acquisition:

	RMB'000
Total assets	22,902
Total liabilities	(19,203)
Net assets acquired	3,699
Goodwill arising on acquisition:	
Consideration transferred	4,670
Less: recognised amounts of net assets acquired	3,699
Goodwill arising on acquisition	971

Goodwill arising on acquisition of a subsidiary was recognised in goodwill within the "Intangible assets" line item in the consolidated statement of financial position as at 31 December 2025. None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash inflow arising on the acquisition	
Cash consideration paid	(4,670)
Add: cash and cash equivalents balance acquired	10,612
	5,942



31 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current assets		
Property, plant and equipment	130,531	129,672
Leased assets and investment properties	12,004	12,582
Investments in subsidiaries	403,397	379,747
Interests in associates and joint venture	6,970	6,322
Prepayments for property, plant and equipment	7,394	6,519
Time deposits	2,136,213	1,993,544
Deferred tax assets	34,899	39,523
	2,731,408	2,567,909
Current assets		
Inventories	15,122	19,204
Trade and bills receivables	1,915,800	1,457,881
Prepayments, deposits and other receivables	3,280,586	2,754,785
Time deposits	103,165	–
Cash and cash equivalents	9,916,971	9,082,254
	15,231,644	13,314,124
Current liabilities		
Trade payables	2,365,917	1,800,360
Accruals and other payables	4,827,186	4,253,252
Lease liabilities	34,475	37,799
Contract liabilities	1,108,152	972,951
Income tax payable	139,193	127,504
	8,474,923	7,191,866
Net current assets	6,756,721	6,122,258
Total assets less current liabilities	9,488,129	8,690,167
Non-current liabilities		
Deferred tax liabilities	474	474
Lease liabilities	27,807	35,714
	28,281	36,188
Net assets	9,459,848	8,653,979
Capital and reserves		
Share capital (see Note 27)	553,333	553,333
Reserves (Note)	8,906,515	8,100,646
Total equity	9,459,848	8,653,979



31 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Note: Movement in reserves

	Share premium RMB'000	Shares held for restricted share incentive scheme RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Share-based payments reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	4,535,479	(166,009)	(10,650)	276,667	60,301	2,061,784	6,757,572
Profit for the year	-	-	-	-	-	1,835,815	1,835,815
Total comprehensive income for the year	-	-	-	-	-	1,835,815	1,835,815
Effect of shares vested under restricted share incentive scheme (Note 28)	-	45,726	12,704	-	(28,413)	-	30,017
Shares lapsed under restricted share incentive scheme (Note 28)	-	3,909	(775)	-	-	-	3,134
Recognition of equity-settled share-based payments	-	-	-	-	26,335	-	26,335
Dividend recognised as distribution (Note 11)	-	-	-	-	-	(552,227)	(552,227)
At 31 December 2024 and 1 January 2025	4,535,479	(116,374)	1,279	276,667	58,223	3,345,372	8,100,646
Profit for the year	-	-	-	-	-	1,502,969	1,502,969
Total comprehensive income for the year	-	-	-	-	-	1,502,969	1,502,969
Effect of shares vested under restricted share incentive scheme (Note 28)	-	52,994	16,454	-	(34,548)	-	34,900
Shares lapsed under restricted share incentive scheme (Note 28)	-	19,571	2,785	-	-	-	22,356
Recognition of equity-settled share-based payments	-	-	-	-	(17,316)	-	(17,316)
Dividend recognised as distribution (Note 11)	-	-	-	-	-	(737,040)	(737,040)
At 31 December 2025	4,535,479	(43,809)	20,518	276,667	6,359	4,111,301	8,906,515



32 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of net debt, which includes the lease liabilities disclosed in Note 25, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The management reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through the payment of dividends, new shares issue and share buy-back as well as the issue of new debts or redemption of existing debt, if necessary.

Management regards total equity as capital. The amount of capital as at 31 December 2025 and 2024 amounted to approximately RMB10,740,713,000 and RMB9,871,348,000 respectively, which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

33 FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets:		
Financial assets at amortised cost	17,135,674	15,413,486
Financial liabilities:		
Financial liabilities at amortised cost	5,156,763	4,809,742

33.2 Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, time deposits, cash and cash equivalents, trade payables, accruals and other payables and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.



33 FINANCIAL INSTRUMENTS (Continued)

33.2 Financial risk management objectives and policies (Continued)

(a) Market risk

Foreign exchange risk

The Group's businesses are principally conducted in RMB, except that receipts of proceeds from listing on the Main Board of the Hong Kong Stock Exchange are in other currency. As at 31 December 2025, major non-RMB assets are cash and cash equivalents of RMB20,100,000 and major non-RMB liabilities are accruals and other payables of RMB43,610,000 denominated in HK\$. Fluctuation of the exchange rates of RMB against foreign currency could affect the Group's results of operations.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Monetary assets and liabilities – HK\$		
Cash and cash equivalents	20,100	30,189
Accruals and other payables	(43,610)	(43,339)
	(23,510)	(13,150)

The following table details the Group's sensitivity to a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the end of reporting period for a 5% change in foreign currency rates. If there is a 5% increase/(decrease) in RMB against the relevant currencies, the effect of increase/(decrease) in the profit for the year is as follows:

	2025 RMB'000	2024 RMB'000
5% increase in RMB against HK\$	882	493
5% decrease in RMB against HK\$	(882)	(493)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to cash and cash equivalents and time deposits (Note 21) and fair value interest rate risk in relation to lease liabilities (Note 25). The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Management of the Group are of the opinion that the Group's exposure to interest rate risk is minimal. Accordingly, no interest rate risk sensitivity analysis is presented.



33 FINANCIAL INSTRUMENTS (Continued)

33.2 Financial risk management objective and policies (Continued)

(b) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and bills receivables, deposits and other receivables, time deposits and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with bills receivables are mitigated because settlement of bills receivables are backed by bills issued by reputable financial institutions.

The Group expects that there is no significant credit risk associated with time deposits and cash and cash equivalents and interest receivables since they are substantially deposited at and due from state-owned banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The table below details the credit risk exposures of the Group's trade receivables and deposits and other receivables, which are subject to ECL assessment:

	Notes	12m or lifetime ECL	2025 Gross carrying amount RMB'000	2024 Gross carrying amount RMB'000
Financial assets at amortised cost				
Trade receivables	18	Lifetime ECL – not credit- impaired	3,622,930	2,925,691
Deposits and other receivables	19	12m ECL	755,869	745,676



33 FINANCIAL INSTRUMENTS (Continued)

33.2 Financial risk management objective and policies (Continued)

(b) Credit risk and impairment assessment (Continued)

Trade receivables

The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each year to ensure that adequate impairment losses are made for irrecoverable amounts.

As at 31 December 2025 and 2024, the Company is of the view there has been no significant increase in credit risk nor default because these relate to a number of independent customers that are either active and or have a good track record and established creditworthiness with the Group.

For related parties and third parties trade receivables, the Group uses provision matrix based on debtors' ageing to assess the impairment from its customers because these customers consist of a large number of individual customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk and ECL for trade receivables as at 31 December 2025 and 2024.

	Third parties			Related parties RMB'000	Total RMB'000
	Up to 1 year RMB'000	1 to 2 years RMB'000	Over 2 years RMB'000		
At 31 December 2025					
Expected loss rate	1.0%	16.5%	70.7%	4.8%	4.9%
Gross carrying amount	2,623,264	250,224	112,569	636,873	3,622,930
Loss allowance provision	27,114	41,402	79,595	30,832	178,943
At 31 December 2024					
Expected loss rate	1.1%	27.8%	86.6%	4.8%	4.4%
Gross carrying amount	2,179,180	114,603	51,855	580,053	2,925,691
Loss allowance provision	23,947	31,878	44,888	27,652	128,365

33 FINANCIAL INSTRUMENTS (Continued)

33.2 Financial risk management objective and policies (Continued)

(b) Credit risk and impairment assessment (Continued)

Deposits and other receivables

For deposits and other receivables, the management makes periodic assessment on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The following table provides information about the exposure to credit risk and ECL for deposits and other receivables as at 31 December 2025 and 2024.

	Third parties RMB'000	Related parties RMB'000	Total RMB'000
At 31 December 2025			
Expected loss rate	4.7%	6.0%	4.8%
Gross carrying amount	701,104	54,765	755,869
Loss allowance provision	32,712	3,302	36,014
At 31 December 2024			
Expected loss rate	5.1%	11.3%	5.3%
Gross carrying amount	723,152	22,524	745,676
Loss allowance provision	37,231	2,549	39,780

As at 31 December 2025 and 2024, the loss allowance provision for trade receivables and deposits and other receivables reconciles to the opening loss allowance for that provision as follows:

	Trade receivables RMB'000	Deposits and other receivables RMB'000	Total RMB'000
At 1 January 2024	103,375	41,174	144,549
Provision for loss allowance recognised in profit or loss	24,990	(1,394)	23,596
At 31 December 2024 and 1 January 2025	128,365	39,780	168,145
Provision for/(reversal of) loss allowance recognised in profit or loss	50,389	(3,908)	46,481
Deregistration of a subsidiary	(55)	—	(55)
Acquisition of a subsidiary	244	142	386
At 31 December 2025	178,943	36,014	214,957



33 FINANCIAL INSTRUMENTS (Continued)

33.2 Financial risk management objective and policies (Continued)

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Carrying amount RMB'000	Total contractual undiscounted cash flows RMB'000	Within one year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
As at 31 December 2025						
Trade payables	3,172,411	3,172,411	3,172,411	-	-	-
Accruals and other payables	1,882,703	1,882,703	1,882,703	-	-	-
Lease liabilities	101,649	108,085	44,495	30,775	26,072	6,743
	5,156,763	5,163,199	5,099,609	30,775	26,072	6,743
	Carrying amount RMB'000	Total contractual undiscounted cash flows RMB'000	Within one year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
As at 31 December 2024						
Trade payables	2,754,128	2,754,128	2,754,128	-	-	-
Accruals and other payables	1,949,968	1,949,968	1,949,968	-	-	-
Lease liabilities	105,646	115,070	46,408	25,162	33,916	9,584
	4,809,742	4,819,166	4,750,504	25,162	33,916	9,584

33.3 Fair value measurements of financial instrument

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.



34 CASH FLOW INFORMATION

Cash generated from operations

	Notes	2025 RMB'000	2024 RMB'000
Operating activities			
Profit before tax		2,066,482	1,964,647
Adjustments for:			
Exchange loss, net	7	300	532
Depreciation of property, plant and equipment	8	94,130	96,587
Depreciation of leased assets and investment properties	8	276,362	280,239
Amortisation of intangible assets	8	8,510	9,886
Impairment loss on trade and bills receivables	7	50,389	24,990
Reversal of impairment loss on deposits and other receivables	7	(3,908)	(1,394)
Share of results of associates and joint venture		(4,995)	(4,772)
Equity-settled share-based payments expense	8	(17,316)	26,335
Bank interest income	7	(65,079)	(62,135)
Other interest income	7	(8,531)	(11,031)
Finance costs	8	3,900	4,504
Gains on modification of lease contracts, net	7	(7,221)	(4,899)
Losses on disposal of property, plant and equipment, net	7	1,092	39
Operating cash flows before movements in working capital		2,394,115	2,323,528
Decrease/(increase) in inventories		2,521	(270)
Increase in trade and bills receivables		(384,401)	(214,562)
Increase in prepayments, deposits and other receivables		(17,577)	(6,909)
Increase in trade payables		75,567	459,417
Decrease in accruals and other payables		(5,673)	(102,482)
Increase in contract liabilities		247,640	276,255
Cash generated from operations		2,312,192	2,734,977



34 CASH FLOW INFORMATION (Continued)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities (Note 25) RMB'000
At 1 January 2024	111,703
Financing cash flows	(33,362)
Other changes (Note)	27,305
At 31 December 2024 and 1 January 2025	105,646
Financing cash flows	(29,412)
Other changes (Note)	25,415
At 31 December 2025	101,649

Note: Other changes mainly represent new lease entered, lease modification and interest expenses.



35 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) General information of subsidiaries

Details of the Company's principal subsidiaries as at 31 December 2025 and 2024, are as follows:

Name of subsidiary	Place of incorporation/ operations	Paid-up issued capital	Proportion of ownership interest held by the Company				Principal activities
			Direct		Indirect		
			2025	2024	2025	2024	
Poly (Guangzhou) Property Development Co., Ltd. 保利(廣州)物業發展有限公司	the PRC	RMB10,000,000	100%	100%	–	–	Property management
Guangzhou Poly Business Commercial Property Development Co., Ltd. 廣州保利商業物業發展有限公司	the PRC	RMB10,000,000	100%	100%	–	–	Property management
Poly (Foshan) Property Service Co., Ltd. 保利(佛山)物業服務有限公司	the PRC	RMB5,000,000	100%	100%	–	–	Property management
Yangjiang Poly Property Management Co., Ltd. 陽江保利物業管理有限公司	the PRC	RMB3,000,000	100%	100%	–	–	Property management
Poly Property Management (Beijing) Co., Ltd. 保利物業管理(北京)有限公司	the PRC	RMB5,000,000	100%	100%	–	–	Property management
Tianjin Poly Property Management Co., Ltd. 天津保利物業管理有限公司	the PRC	RMB500,000	100%	100%	–	–	Property management
Hebei Poly Property Service Co., Ltd. 河北保利物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Poly Urban Construction Service Co., Ltd. 保利城市建設服務有限公司	the PRC	RMB51,000,000	100%	100%	–	–	Property management
Zhejiang Poly Property Management Co., Ltd. 浙江保利物業管理有限公司	the PRC	RMB5,000,000	100%	100%	–	–	Property management
Poly (Fujian) Property Management Co., Ltd. 保利(福建)物業管理有限公司	the PRC	RMB1,000,000	100%	100%	–	–	Property management
Poly Chongqing Property Management Co., Ltd. 保利重慶物業管理有限公司	the PRC	RMB5,000,000	100%	100%	–	–	Property management
Hunan Poly Property Management Co., Ltd. 湖南保利物業管理有限公司	the PRC	RMB5,000,000	100%	100%	–	–	Property management



35 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Details of the Company's principal subsidiaries as at 31 December 2025 and 2024, are as follows:
(Continued)

Name of subsidiary	Place of incorporation/ operations	Paid-up issued capital	Proportion of ownership interest held by the Company				Principal activities
			Direct		Indirect		
			2025	2024	2025	2024	
Poly (Wuhan) Property Management Co., Ltd. 保利(武漢)物業管理有限公司	the PRC	RMB5,080,000	100%	100%	–	–	Property management
Jiangxi Poly Property Management Co., Ltd. 江西保利物業管理有限公司	the PRC	RMB3,000,000	100%	100%	–	–	Property management
Liaoning Poly Property Management Co., Ltd. 遼寧保利物業管理有限公司	the PRC	RMB5,000,000	100%	100%	–	–	Property management
Poly (Dalian) Property Management Co., Ltd. 保利(大連)物業管理有限公司	the PRC	RMB2,000,000	100%	100%	–	–	Property management
Poly Baoding Property Service Co., Ltd. 保利保定物業服務有限公司	the PRC	RMB10,000,000	–	–	51%	51%	Property management
Hunan Poly Tongyuan Property Management Co., Ltd. 湖南保利同元物業管理有限公司	the PRC	RMB2,000,000	51%	51%	–	–	Property management
Poly (Baotou) Property Service Co., Ltd. 保利(包頭)物業服務有限公司	the PRC	RMB3,000,000	77.5%	77.5%	–	–	Property management
Poly (Changchun) Property Service Co., Ltd. ("Poly Changchun") (Note (d)) 保利(長春)物業服務有限公司	the PRC	RMB3,000,000	50%	50%	–	–	Property management
Guangzhou Zengcheng Poly Property Investment Co., Ltd. 廣州增城保利物業投資有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Poly Tianchuang 湖南保利天創物業發展有限公司	the PRC	RMB5,000,000	60%	60%	–	–	Property management
Poly Heyue Life Technology Service Co., Ltd. 保利和悦生活科技服務有限公司	the PRC	RMB5,500,000	100%	100%	–	–	Home services



35 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Details of the Company's principal subsidiaries as at 31 December 2025 and 2024, are as follows:
(Continued)

Name of subsidiary	Place of incorporation/ operations	Paid-up issued capital	Proportion of ownership interest held by the Company				Principal activities
			Direct		Indirect		
			2025	2024	2025	2024	
Guangzhou Hechuang Zhongwei Catering Services Co., Ltd. 廣州和創中味餐飲服務有限公司	the PRC	RMB2,000,000	51%	51%	–	–	Catering
Baoting Guanlan (Wuhan) Property Services Co., Ltd. 保庭觀瀾(武漢)物業服務有限公司	the PRC	RMB1,000,000	–	–	80%	80%	Property management
Poly Zhongshe (Beijing) Property Management Co., Ltd. ("Poly Zhongshe") 保利中設(北京)物業管理有限公司	the PRC	RMB15,000,000	60%	60%	–	–	Property management
Yichang Baohe Property Service Co., Ltd. 宜昌保和物業服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Guangdong Hejia Home Technology Co., Ltd. 廣東和加家居科技有限公司	the PRC	RMBNil	100%	60%	–	–	Home furnishing service
Poly Wanteng Hebei Property Services Co., Ltd. 保利萬騰河北物業服務有限公司	the PRC	RMB1,000,000	–	–	51%	51%	Property management
Tangshan XinChengtou Poly City Services Co., Ltd. 唐山新城投保利城市服務有限公司	the PRC	RMB10,000,000	–	–	51%	51%	Property management
Poly (Ziyang) City Comprehensive Services Co., Ltd. 保利(資陽)城市綜合服務有限公司	the PRC	RMB2,505,000	60%	60%	–	–	Property management
Guangzhou Baiyun Poly Property Services Co., Ltd. 廣州白雲保利物業服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Jiujiang Liantao Poly Huichuang City Services Co., Ltd. 九江濂投保利輝創城市服務有限公司	the PRC	RMB3,000,000	–	–	51%	51%	Property management
Vastrong Property 成都華昌物業發展有限責任公司	the PRC	RMB5,000,000	96.7%	96.7%	–	–	Property management
Chengdu Huazhong Investment Management Co., Ltd. 成都華中投資管理有限公司	the PRC	RMB2,000,000	–	–	96.7%	96.7%	Property management

35 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Details of the Company's principal subsidiaries as at 31 December 2025 and 2024, are as follows:
(Continued)

Name of subsidiary	Place of incorporation/ operations	Paid-up issued capital	Proportion of ownership interest held by the Company				Principal activities
			Direct		Indirect		
			2025	2024	2025	2024	
Poly (Shandong) Property Services Co., Ltd. 保利(山東)物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Poly Anhui Property Service Co., Ltd. 保利安徽物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Poly (Jiangsu) Property Service Development Co., Ltd. 保利(江蘇)物業服務發展有限公司	the PRC	RMB5,000,000	100%	100%	–	–	Property management
Guangdong Poly Yuewan Property Services Co., Ltd. 廣東保利粵灣物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Poly Shaanxi Property Services Co., Ltd. 保利陝西物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Poly Sichuan Property Services Co., Ltd. 四川保利物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Poly (Jiashan) City Operation and Services Co., Ltd. 保利(嘉善)城市運營服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Poly (Jiashan) Comprehensive Service Management Co., Ltd. 保利(嘉善)綜合服務管理有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Neimenggu Poly Aizhimeng Property Services Co., Ltd. 內蒙古保利愛之蒙物業服務有限公司	the PRC	RMB10,000,000	–	–	51%	51%	Property management
Liaoning Huichuang Property Management Co., Ltd. 遼寧輝創物業管理有限公司	the PRC	RMB3,000,000	–	–	51%	51%	Property management
Sichuan Baochuang Guojing Property Service Co., Ltd. 四川保創國經物業服務有限公司	the PRC	RMB3,900,000	–	–	51%	51%	Property management
Poly Environmental Services (Guangdong) Co., Ltd. ("Poly Environmental") 保利環境服務(廣東)有限公司	the PRC	RMB80,142,857	65%	65%	–	–	Property management



35 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Details of the Company's principal subsidiaries as at 31 December 2025 and 2024, are as follows:
(Continued)

Name of subsidiary	Place of incorporation/ operations	Paid-up issued capital	Proportion of ownership interest held by the Company				Principal activities
			Direct		Indirect		
			2025	2024	2025	2024	
Guangzhou Huang Pu Poly Property Service Co., Ltd. 廣州黃埔保利物業服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Shenzhen Baoli Modern Urban Service Co.,Ltd. (previously known as Guangzhou Baoli Property Development Co., Ltd.) 深圳寶利現代化城市服務有限公司 (前稱為廣州保荔物業發展有限公司)	the PRC	RMBNil	–	–	100%	100%	Property management
Poly (Hai Nan Special Economic Zone) Property Service Co., Ltd. 保利(海南經濟特區)物業服務有限公司	the PRC	RMB10,000,000	100%	100%	–	–	Property management
Huizhou Poly Wei Li Environment Service Co., Ltd. 惠州保衛利環境服務有限公司	the PRC	RMBNil	–	–	65%	65%	Property management
Hengyuan (Hong Kong) Service Limited 恒遠(香港)服務有限公司	the HK	RMBNil	100%	100%	–	–	Inactive
Guangdong Xinzhihui Technology Co., Ltd. 廣東芯智慧科技有限公司	the PRC	RMB14,362,982	70%	70%	–	–	Energy retrofitting and engineering management
Xuzhou Poly Xincheng Property Management Service Co., Ltd. 徐州保利鑫城物業管理服務有限公司	the PRC	RMB3,000,000	–	–	100%	100%	Property management
Zhu Hai Heng Qin Bao Wu Technical Services Ltd. (previously known as Guangzhou Nansha Baowu Property Management Co., Ltd.) 珠海橫琴保物科技服務有限公司 (前稱為廣州南沙保物物業管理有限公司)	the PRC	RMB1,000,000	–	–	100%	100%	Property management
Baolian (Wafangdian) City Appearance and Environmental Services Co., Ltd. 保連(瓦房店)市容環境服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Jilin Hengfu Poly Property Services Co., Ltd. 吉林恒富保利物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Beijing Bao Yi Business Service Ltd. (previously known as Xinjiang Poly Property Services Co., Ltd.) 北京保亦商務服務有限公司 (前稱為新疆保利物業服務有限公司)	the PRC	RMBNil	100%	100%	–	–	Property management

35 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Details of the Company's principal subsidiaries as at 31 December 2025 and 2024, are as follows:
(Continued)

Name of subsidiary	Place of incorporation/ operations	Paid-up issued capital	Proportion of ownership interest held by the Company				Principal activities
			Direct		Indirect		
			2025	2024	2025	2024	
Henan Poly Property Services Co., Ltd. 河南保利物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Poly (Shanxi) Property Services Co., Ltd. 保利(山西)物業服務有限公司	the PRC	RMBNil	100%	100%	–	–	Property management
Foshan Baoshun Property Services Co., Ltd. 佛山市保順物業服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Baochuang (Henan) City Operation and Services Co., Ltd. 保創(河南)城市運營服務有限公司	the PRC	RMB5,000,000	–	–	51%	51%	Property management
Shanxi Baojin Property Services Co., Ltd. 山西保晉物業服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
He Yu (Guangdong) Property Agent Co., Ltd. (previously known as Gansu Poly Property Services Co., Ltd.) 和域(廣東)房地產經紀有限公司 (前稱為甘肅保利物業服務有限公司)	the PRC	RMBNil	100%	100%	–	–	Real estate agency and property management
Qluxian Baowu Property Services Co., Ltd. 邱懸保物業服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Shenzhen Longhua Baomin Urban Operation Services Co., Ltd. (Note (e)) 深圳龍華保民城市運營服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Ningbo Baoyong Property Management Co., Ltd. (Note (e)) 寧波保甬物業管理有限公司	the PRC	RMBNil	–	–	100%	100%	Property management
Guangzhou Baiyun Commercial Property Management Co., Ltd. (Note (e)) 廣州白雲商保物業管理有限公司	the PRC	RMB1,000,000	–	–	100%	100%	Property management
Shanxi Baoyang Property Services Co., Ltd. (Note (e)) 山西保陽物業服務有限公司	the PRC	RMBNil	–	–	100%	100%	Property management



35 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Details of the Company's principal subsidiaries as at 31 December 2025 and 2024, are as follows:
(Continued)

Name of subsidiary	Place of incorporation/ operations	Paid-up issued capital	Proportion of ownership interest held by the Company				Principal activities
			Direct		Indirect		
			2025	2024	2025	2024	
Shanghai Jiansheng (Note (f)) 上海建盛物業服務有限責任公司	the PRC	RMB2,000,000	100%	–	–	–	Property management
Zhejiang Baomin Lianfang Technology Co., Ltd.(Note (g)) 浙江保民利安防科技有限公司	the PRC	RMB10,000,000	100%	–	–	–	Security services
Guangzhou Baoxiang Property Development Co., Ltd.(Note (g)) 廣州保翔物業發展有限公司	the PRC	RMBNil	–	–	51%	–	Property management
Guangzhou Baoyu Property Services Co., Ltd. (Note (g)) 廣州保御物業服務有限公司	the PRC	RMBNil	–	–	100%	–	Property management
Huizhou Baomin Urban Operation Services Co., Ltd. (Note (g)) 惠州保民城市運營服務有限公司	the PRC	RMB500,000	–	–	100%	–	Property management
Hubei Baocheng Property Services Co., Ltd. (Note (g)) 湖北保城物業服務有限公司	the PRC	RMBNil	–	–	100%	–	Property management

35 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Notes:

- (a) The English names of all subsidiaries established in the PRC are translated for identification purpose only.
- (b) All companies comprising the Group have adopted 31 December as their financial year end date.
- (c) All entities established in the PRC are in the form of domestic limited liability companies.
- (d) Poly Changchun was accounted for as 50%-interest subsidiary of the Company, as all the strategic financial and operating decisions required approval by unanimous consent of all of the shareholders. All the shareholders of Poly Changchun entered into an acting in concert agreement, by execution of the acting in concert agreement, the other shareholder agreed to follow the strategic financial and operating decision made by the Group when unanimous consent has not reached. Since the Group obtained the effective control of voting power to govern the relevant activities of Poly Changchun, Poly Changchun is accounted for as a subsidiary of the Company.
- (e) The subsidiaries were incorporated during the year ended 31 December 2024.
- (f) The subsidiary was acquired during the year ended 31 December 2025.
- (g) The subsidiaries were incorporated during the year ended 31 December 2025.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.



35 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Non-wholly owned subsidiaries that have material non-controlling interests

The Group does not have any material non-controlling interests in non-wholly owned subsidiaries.

36 MATERIAL RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions with its related parties during both years.

(a) Name and relationship

Name of related parties	Relationship with the Group
Poly Developments and Holdings Group	Immediate holding company and its subsidiaries other than the Group
China Poly Group	Ultimate holding company and its subsidiaries other than Poly Developments and Holdings Group and Poly Finance
Poly Finance	Subsidiary of China Poly Group

36 MATERIAL RELATED PARTY TRANSACTIONS (Continued)
(b) Material related party transactions

	2025 RMB'000	2024 RMB'000
Poly Developments and Holdings Group		
Provision of services		
– Property management services	313,203	184,140
– Value-added services to non-property owners, other than rental income	1,144,270	1,396,564
– Community value-added services	507,948	523,803
– Rental income	59,619	63,780
Lease contract arrangements		
– Right-of-use assets	451,838	722,466
– Lease liabilities	26,526	28,494
– Depreciation	282,593	291,527
– Interest expense	954	1,207
– Short-term leases expenses	3,036	5,880
– Shared rent expense	–	10,041
Purchase of services	55,139	30,738
Purchase of products	1,039	2,513
Associates of Poly Developments and Holdings Group		
Provision of services		
– Property management services	68,107	55,422
– Value-added services to non-property owners, other than rental income	83,131	131,646
– Community value-added services	5,348	15,474
– Rental income	4,225	1,941
Lease contract arrangements		
– Right-of-use assets	1,695	1,732
– Lease liabilities	1,915	1,694
– Depreciation	1,398	945
– Interest expense	82	94
Purchase of services	12,872	1,215



36 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Material related party transactions (Continued)

	2025 RMB'000	2024 RMB'000
Joint ventures of Poly Developments and Holdings Group		
Provision of services		
– Property management services	10,383	2,093
– Value-added services to non-property owners, other than rental income	26,707	41,916
– Community value-added services	10,720	8,955
Purchase of services	12,017	–
China Poly Group		
Provision of services		
– Property management services	26,220	25,758
– Rental income	7,005	10,293
Purchase of products	1,934	195,480
Purchase of services	1,660	3,248
Poly Finance		
Interest income	8,531	11,031

36 MATERIAL RELATED PARTY TRANSACTIONS (Continued)
(c) Material related party balances

	2025	2024
	RMB'000	RMB'000
Poly Developments and Holdings Group		
– Trade receivable	517,510	479,233
– Deposit and other receivable	49,166	21,983
– Trade payable	81,630	67,702
– Accrual and other payable	52,170	72,900
– Contract liabilities	59,700	33,616
Associates of Poly Developments and Holdings Group		
– Trade receivable	98,219	79,095
– Deposit and other receivable	9,092	2,612
– Trade payable	8,541	9,876
– Accrual and other payable	2,931	2,726
– Contract liabilities	13,132	2,447
Joint ventures of Poly Developments and Holdings Group		
– Trade receivable	17,818	19,053
– Deposit and other receivable	833	172
– Trade payable	7,202	6,291
– Accrual and other payable	237	445
– Contract liabilities	5,930	5,475
China Poly Group		
– Trade receivable	3,326	2,672
– Deposit and other receivable	77	5,610
– Trade payable	815	1,992
– Accrual and other payable	1,708	1,768
– Contract liabilities	139	223

As at 31 December 2025 and 2024, all balances are unsecured, interest-free and repayment on demand or according to contract terms.



36 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) Material transactions with other state-controlled entities

Part of the Group's operations is carried out in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("**state-controlled entities**"). In addition, the Group itself is part of a larger group of companies under China Poly Group which is controlled by the PRC government. Apart from the transactions with China Poly Group, other connected persons and related parties disclosed in this note, the Group also conducts business with other state-controlled entities. The Group considers those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned.

In establishing its pricing strategies and approval process for transactions with other state-controlled entities, the Group does not differentiate whether the counter-party is a state-controlled entity or not.

During the years ended 31 December 2025 and 2024, the Group provided property management services to other state-owned enterprises. The Group maintained most of its bank deposits in government-related financial institutions associated with the respective interest income incurred. In establishing its pricing strategies and approval process for its services, the Group does not differentiate whether the counter-party is a state-controlled enterprise. In the opinion of the Group, all such transactions were conducted in the ordinary course of business and on normal commercial terms.

(e) Compensation of key management personnel

The remuneration of directors of the Company and the other members of key management of the Group during the year are set out in Note 10. The remuneration of key management personnel is determined by the Board of the Company having regard to the performance of individuals and market trends.

37 SUBSEQUENT EVENT

The Group did not have significant events after 31 December 2025 and until the date of this been issued.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	10,782,549	13,686,662	15,061,858	16,342,312	17,126,068
Cost of services	(8,767,909)	(11,112,818)	(12,108,767)	(13,358,006)	(14,140,980)
Gross profit	2,014,640	2,573,844	2,953,091	2,984,306	2,985,088
Other income and other gains and losses, net	153,909	163,996	136,293	116,284	94,335
Selling and marketing expenses	(9,460)	(6,370)	(18,013)	(11,897)	(15,511)
Administrative expenses	(1,006,025)	(1,207,019)	(1,226,151)	(1,122,016)	(993,409)
Other expense	(1,979)	(1,661)	(2,183)	(2,298)	(5,116)
Share of results of associates and joint venture	21,915	(4,803)	2,730	4,772	4,995
Finance costs	(10,563)	(4,629)	(4,694)	(4,504)	(3,900)
Profit before tax	1,162,437	1,513,358	1,841,073	1,964,647	2,066,482
Income tax expense	(291,553)	(380,009)	(443,887)	(475,211)	(498,625)
Profit for the year	870,884	1,133,349	1,397,186	1,489,436	1,567,857
Profits for the year attributable to:					
– Owners of the Company	845,693	1,112,933	1,380,140	1,473,850	1,549,450
– Non-controlling interests	25,191	20,416	17,046	15,586	18,407
	870,884	1,133,349	1,397,186	1,489,436	1,567,857

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Assets					
Non-current assets	1,147,355	976,607	649,188	3,145,233	3,034,893
Current assets	9,990,568	12,132,930	14,228,069	13,636,004	15,220,800
Total assets	11,137,923	13,109,537	14,877,257	16,781,237	18,255,693
Liabilities					
Current liabilities	4,136,162	5,185,062	5,921,304	6,840,583	7,449,980
Non-current liabilities	112,999	79,646	79,419	69,306	65,000
Total liabilities	4,249,161	5,264,708	6,000,723	6,909,889	7,514,980
Total equity	6,888,762	7,844,829	8,876,534	9,871,348	10,740,713