



遠洋服務控股有限公司

Sino-Ocean Service Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 06677.HK



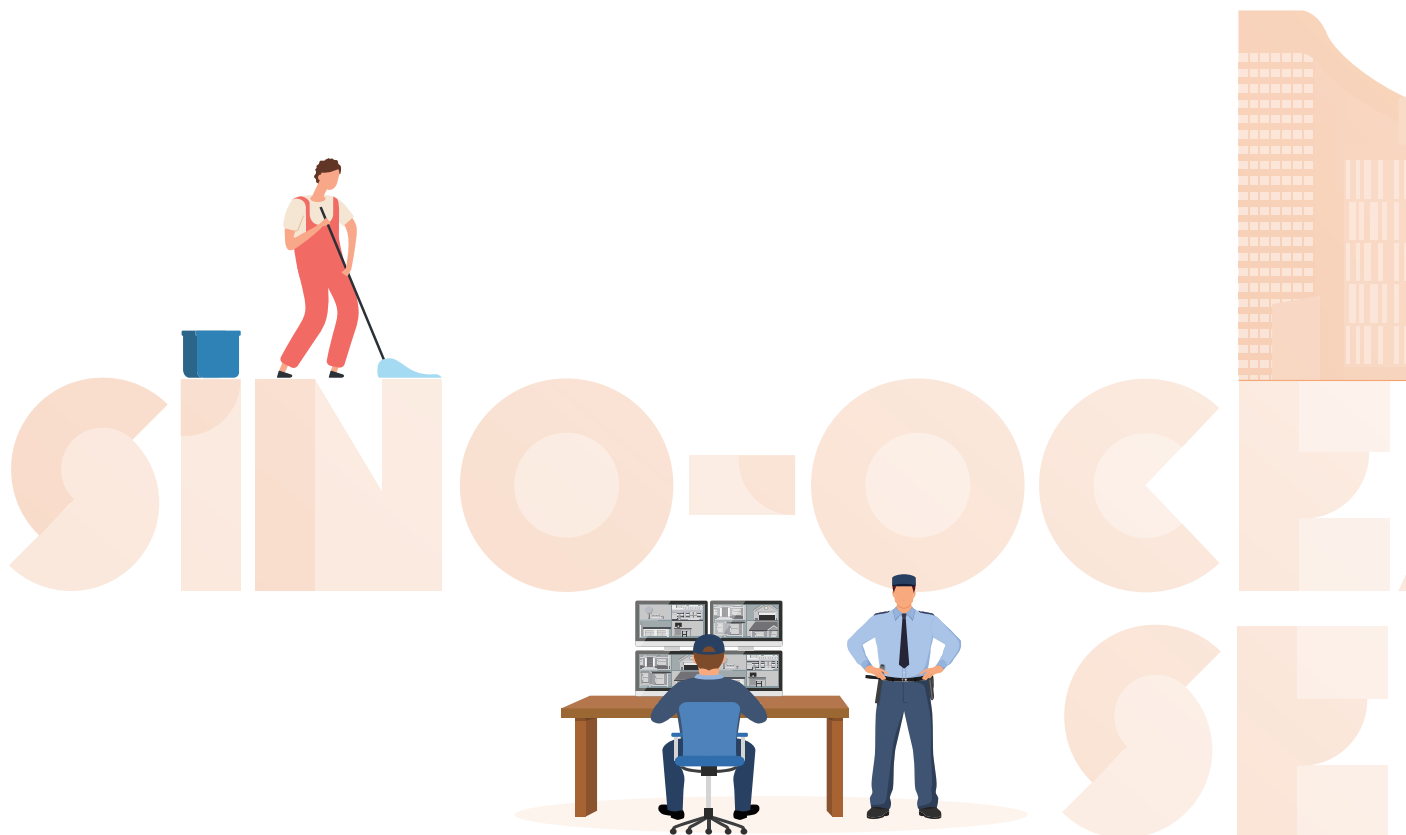
2025
ANNUAL
REPORT

**BEING
UNDERSTANDING
AND
INNOVATIVE**



CONTENT

Corporate Overview	4	Management Discussion and Analysis	18
Geographic Coverage	6	Directors and Senior Management	38
Corporate Information	8	Investor Relations Report	42
Financial and Operational Summary	10	Sustainability Report	43
Awards and Honors	12	Report of the Directors	47
Chairman's Statement	13	Corporate Governance Report	68



Independent Auditor’s Report	89	Consolidated Statement of Cash Flows	99
Consolidated Statement of Comprehensive Income	95	Notes to the Consolidated Financial Statements	101
Consolidated Statement of Financial Position	96	Five-year Financial Summary	162
Consolidated Statement of Changes in Equity	98	Glossary	163



CORPORATE OVERVIEW

We are a comprehensive property management service provider with extensive geographic coverage in the PRC. According to China Index Academy, in terms of overall strength in 2025, we were honored with the title of “2025 Top100 Property Management Companies in China (Ranked 12th)” and we received other accolades such as “2025 Quality Leading Companies of China in Property Service”.



Our history can be traced back to 1997 when we commenced property management services with an initial focus on properties developed by Sino-Ocean Group Company, a leading comprehensive property developer in China of which shares are listed on the Main Board of the Stock Exchange (Stock Code: 03377). Since then, we have expanded our geographic coverage from the Beijing-Tianjin-Hebei region to the Bohai Rim region and other regions across China, with a focus on first-tier and second-tier cities in China. Headquartered in Beijing, we operate business in 88 cities across 28 provinces, municipalities and autonomous regions in China.

As at 31 December 2025, our total contracted GFA reached 114.0 million sq.m. and we managed 516 properties in China with a total GFA under management of 89.4 million sq.m., including 339 residential communities, 64 commercial properties and 113 other properties. Our property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities). In addition to property management services, we also provide a variety of community value-added services to property owners and residents of the properties under our management, including community asset value-added services, community living services and property brokerage services, as well as value-added services to non-property owners, including pre-delivery services, consultancy services and property engineering services to property developers and other property management companies.

Number of projects under property management services

339

Residential communities

64

Commercial properties

113

Other properties



GEOGRAPHIC COVERAGE

The following table shows the major cities in China of our contracted property management projects and property management projects under management are located as at 31 December 2025:

<p>Beijing-Tianjin-Hebei</p> <p>Beijing, Handan, Hengshui, Langfang, Qinhuangdao, Shijiazhuang, Tangshan, Tianjin, Zhangjiakou, Xingtai</p>	<p>Bohai Rim</p> <p>Anshan, Changchun, Dalian, Harbin, Huludao, Jinan, Jining, Jinzhong, Linyi, Qingdao, Shenyang, Songyuan, Taiyuan, Yingkou</p>	<p>Eastern China</p> <p>Changzhou, Chuzhou, Hangzhou, Hefei, Huai'an, Jiaxing, Jinhua, Nanjing, Nantong, Ningbo, Shanghai, Suzhou, Suqian, Taizhou (Zhejiang Province), Wenzhou, Wuxi, Wuhu, Yangzhou, Zhenjiang, Zhoushan</p>
<p>Southern China</p> <p>Baise, Chongzuo, Foshan, Fuzhou, Guangzhou, Haikou, Huizhou, Jiangmen, Liuzhou, Maoming, Sanya, Shenzhen, Xiamen, Zhanjiang, Zhangzhou, Zhongshan, Zhuhai</p>	<p>Central China</p> <p>Changsha, Ezhou, Ganzhou, Hebi, Huaihua, Kaifeng, Luohe, Nanchang, Sanmenxia, Shangqiu, Wuhan, Xiangtan, Xinxiang, Xilingol, Xuchang, Yongzhou, Yulin, Zhengzhou, Zhoukou</p>	<p>Western China</p> <p>Chengdu, Chongqing, Guiyang, Kunming, Urumqi, Xi'an, Xining, Yuxi</p>

72+

Properties under management in Beijing

- Shopping malls
- Office buildings
- Residential communities and others



CORPORATE INFORMATION

The corporate information of the Company as of the date of this annual report is set out below:

Directors

Executive Directors

Mr. YANG Deyong (*Joint Chairman*)
 Mr. HOU Min (*Chief Executive Officer*)
 Ms. ZHU Geying (*Chief Financial Officer*)

Non-executive Directors

Mr. CUI Hongjie (*Joint Chairman*)
 Mr. ZHAI Senlin

Independent Non-executive Directors

Dr. GUO Jie
 Mr. HO Chi Kin Sammy
 Mr. LEUNG Wai Hung

Audit Committee

Mr. LEUNG Wai Hung (*Chairman of committee*)
 Mr. CUI Hongjie
 Mr. ZHAI Senlin
 Dr. GUO Jie
 Mr. HO Chi Kin Sammy

Nomination Committee

Mr. CUI Hongjie (*Chairman of committee*)
 Ms. ZHU Geying
 Dr. GUO Jie
 Mr. HO Chi Kin Sammy
 Mr. LEUNG Wai Hung

Remuneration Committee

Mr. HO Chi Kin Sammy
(Chairman of committee)
 Mr. YANG Deyong
 Mr. HOU Min
 Dr. GUO Jie
 Mr. LEUNG Wai Hung

Company Secretary

Ms. CHAN Ka Man

Authorised Representatives

Mr. YANG Deyong
 Ms. CHAN Ka Man

Registered Office

Cricket Square, Hutchins Drive
 PO Box 2681
 Grand Cayman, KY1-1111
 Cayman Islands

Principal Place of Business

Headquarters in the PRC
 3rd Floor, Tower A
 Ocean International Center
 56 Dongsihuanzhonglu
 Chaoyang District, Beijing

Suite 601, One Pacific Place
 88 Queensway
 Hong Kong

Principal Bankers

(in alphabetical order)

Agricultural Bank of China, Ltd.
 Bank of China (Hong Kong) Limited
 Bank of China Limited
 Bank of Communications Co., Ltd.
 China CITIC Bank International Limited
 China Construction Bank Corporation
 China Everbright Bank Co., Ltd.
 China Merchants Bank Co., Ltd.
 China Minsheng Banking Corp., Ltd.
 CMB Wing Lung Bank Limited
 Industrial and Commercial Bank of China, Ltd.
 Mizuho Bank., Ltd.
 Shanghai Pudong Development Bank Co., Ltd.
 The Hongkong and Shanghai Banking Corporation Limited

Auditor

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisor

Norton Rose Fulbright Hong Kong

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
 Cricket Square, Hutchins Drive
 PO Box 2681
 Grand Cayman, KY1-1111
 Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Listing Information

The Stock Exchange of Hong Kong Limited
 Stock Code: 06677

Company Website

www.sinooceanservice.com

Investor Relations Contact

ir@sinooceanservice.com

FINANCIAL AND OPERATIONAL SUMMARY

CONSOLIDATED RESULTS

For the year ended 31 December

(RMB million)	2025	2024	Changes
Revenue	2,724	2,840	-4%
Gross profit	159	517	-69%
Gross profit margin (%)	6%	18%	-12pt
(Loss)/profit for the period	(1,385)	29	N/A
Net (loss)/profit margin (%)	(51)%	1%	-52pt
(Loss)/profit attributable to owners of the Company	(1,371)	29	N/A
Basic and diluted (losses)/earnings per Share (RMB)	(1.158)	0.024	N/A
Proposed final dividend per share (RMB)	0.0107	—	N/A

CONSOLIDATED FINANCIAL POSITION

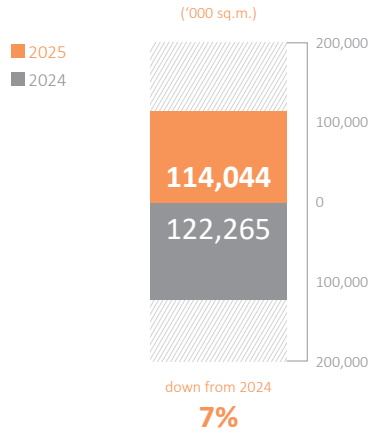
As at 31 December

(RMB million)	2025	2024	Changes
Total assets	2,649	4,023	-34%
Total equity	750	2,137	-65%
Equity attributable to owners of the Company	725	2,096	-65%
Cash resources ¹	712	781	-9%
Current ratio (times)	1.0	1.6	-38%

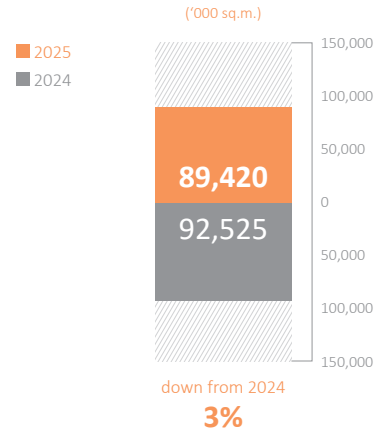
Note:

1) Including the restricted bank deposits

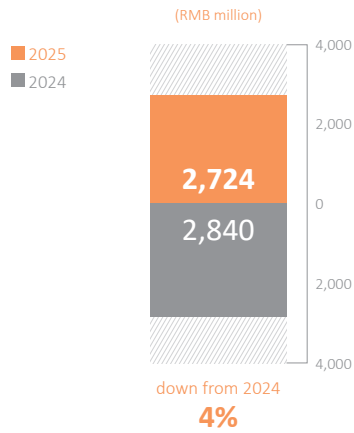
Contracted GFA



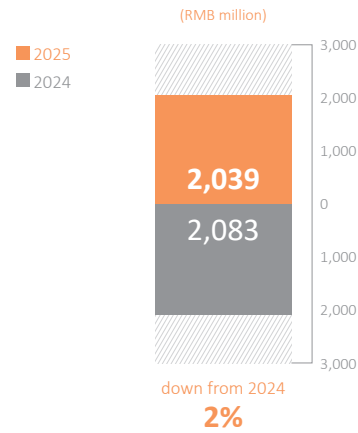
GFA under management



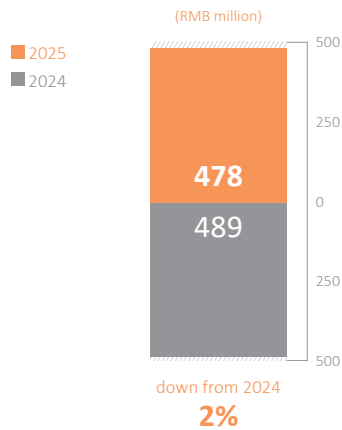
Revenue



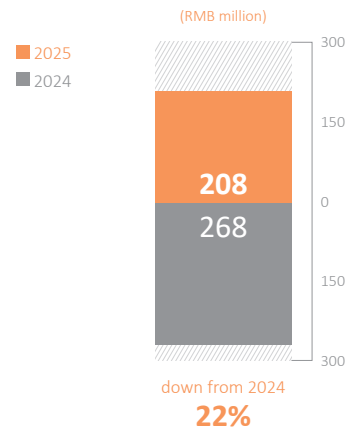
Revenue from property management services



Revenue from community value-added services



Revenue from value-added services to non-property owners



AWARDS AND HONORS

	<h3>Guandian Index Academy</h3>
	<ol style="list-style-type: none"> 1 2025 Excellence in Service Capability of Property Enterprises 2 2025 Superior Performance in Property Service Enterprises
	<h3>China Index Academy</h3>
	<ol style="list-style-type: none"> 1 2025 Top100 Property Management Companies in China (Ranked 12th) 2 2025 Quality Leading Companies of China in Property Service
	<h3>China Property Management Think Tank</h3>
	<ol style="list-style-type: none"> 1 2025 Best ESG Practice among Listed Property Companies 2 2025 Leading Property Management Companies of China in Low-Carbon Operations 3 2025 Top 100 Brand Influential Property Management Companies in China
	<h3>Zhitong Finance</h3>
	<ol style="list-style-type: none"> 1 Most Valuable Real Estate and Property Service Companies

CHAIRMAN'S STATEMENT

On behalf of our Board of Directors, I have the pleasure to present the annual results of Sino-Ocean Service Holding Limited for the 12 months ended 31 December 2025.

2025 MARKET REVIEW

In 2025, the global economic structure underwent accelerated transformation in a complex and volatile macro environment. Significant adjustments were experienced by the property management industry. Overall growth in the industry slackened, and growth rate of both scale and revenue continued to decline. Property management companies focused on high-quality and sustainable development through strategic contraction and structural optimization. As customer expectations escalated, management fees were under pressure and collection rates declined. Reaching a consensus that quality must align with price, the industry returned to its core service principles. As competition for external expansion further intensified, businesses expanded from basic residential properties to diversified areas such as urban public facilities. Brand effect and service quality became the core competitiveness.

At the policy level, the regulatory system became increasingly mature and precisely targeted people's well-being. The "15th Five-Year Plan" clearly outlined the implementation of an action plan to improve the quality of property services and establish a full life-cycle safety management system for buildings, setting the tone for the industry's high-quality development. The Central Urban Work Conference emphasized that urbanization should be in a state of "improving the quality and efficiency of existing assets". The property management industry was given the core responsibility of "three parts construction and seven parts management" in urban development, deeply integrating with national strategies including urban renewal, grassroots governance, and people's livelihood security. Policies at all levels encouraged active explorations and practices in areas such as "a new model of coordinated operation of neighborhood committees, owners' committees and property service companies under the leadership of community Party organizations", "property service + life service" model, and "property services in homes".

Our Group adhered to the principle of high-quality and sustainable operation, and remained unwavering in our "customer first and people-oriented" approach. We focused on user experience and consistently enhanced service quality, consolidating the business foundation and improved operation efficiency. Focusing on service quality, we improved our core capabilities, upgraded management efficiency and optimized organizational capabilities at all times. We strengthened cash flow management, ensured its security through meticulous operations, steadily consolidated the foundation for business development, and maintained a tight grip on accounts receivable. We worked on market expansion, actively developed non-residential sectors based on core residential and commercial properties, and improved project quality and competitiveness. Adhering to the value of "Serving Health Wholeheartedly", we were guided by customer needs and made unremitting efforts to provide sustainable and high-quality services.

2025 ANNUAL RESULTS

For the year ended 31 December 2025, the Group's revenue was RMB2,724.2 million, down about 4% YoY, mainly due to proactively withdrawing from certain low-quality, inefficient operational projects of which residential and other non-commercial property services remained the Company's principal source of income, raising the ratio in the overall income from about 61% to about 63%. Loss attributable to owners of the Company was RMB1,371.2 million, mainly due to an increase in the provision for impairment loss and the occurrence of one-off transaction losses during the year. Basic loss per share was RMB1.158.

Giving customers our undivided attention, we consistently upgraded service quality

The Group optimized its customer service model all the time, built a “full life cycle service system”, consistently satisfied residents’ multi-faceted needs for an ideal community life, and created a wholesome life through high-quality services.

In 2025 the Group continued its nationwide “home renewal initiative”, improved homecoming routes and upgraded landscape and facilities, thus significantly refining community quality and livability. We systematically advanced the construction of a community safety system and management mechanism, covering the entire process of “prevention-control-emergency response”, implemented precise prevention and control measures around common risks, and enhanced the safety and resilience of communities. The comprehensive implementation of a “dual-housekeeper rotation” system and grid-based management created a service grid centered on housekeepers and supplemented by multi-level service teams including engineering, cleaning and security. This established an efficient communication channel between homeowners and staff, improving response speed and quality.

The Group developed a deeper understanding of customer needs and reinforced its customer research and interaction mechanisms. During the period, we implemented a “homeowner quality supervisor” mechanism, inviting owner representatives to supervise and provide feedback on the environment, facilities, and service processes, thereby promoting continuous optimization of service quality. We set up the “meet the manager day” for face-to-face communication with owners, proactive listening and timely responding to their needs. The Group’s management teams and business heads made 2,440 house calls accumulatively, listening to customers in depth firsthand, encouraging mid to back-office departments to change from “controllers” to “service supporters”, fostering an organization culture of customer orientation. At the same time, we built a comprehensive communication matrix for unified access and efficient handling of messages, ensuring customers’ requests were handled swiftly and properly.

Made efforts in diversified expansion and persevered in high quality and sustainable development

The Group continued to intensify its high-quality and sustainable development strategy, adhere to the principle of augmenting project quality, focus on enhancing project portfolio, and proactively exit low-quality and inefficient projects for an optimal asset structure. We were committed to consolidating our independent market operation capabilities, expanding into non-residential sectors in addition to our core residential and commercial properties, and building differentiating competitiveness in niche sectors such as government and state-owned enterprise public buildings. In 2025, the ratio of new contracted GFA from third parties increased from 81% to 94% YoY, encompassing various sectors including commercial, office, industrial parks, public buildings, and scenic areas.

Leveraging the reputation of projects under management, the “integrated expansion and operation” model and geographical synergy enhance comprehensive multi-sector service capabilities, pursuing breakthroughs in brand influence and market competitiveness. We further expanded the scale advantages of industrial parks and logistics parks, while actively exploring niche markets. During the period, we landed our first tertiary education project and won the bid for comprehensive property services project for the National Biomedical Imaging Science Center of Peking University.

We continued to penetrate our core regions including traditional core cities such as Beijing, Tianjin, Qingdao and Dalian, achieving economies of scale and raising coverage with 81% of GFA under management in cities in the top two tiers. We won a new bid for the IFM project at the Beijing Zhaoxin Building, enabling “deep grid-based” operation in the region. We probed high-quality customer resources and effectively matching customers’ needs with one-stop, customized solutions. We actively pursued nationwide, multi-facet cooperation with major enterprises. During the period, we secured benchmark projects such as the CNOOC Tianjin Intelligent Manufacturing Center Park, further boosting our strategic cooperation with CNOOC and extending our services to multiple locations and business formats.

Optimized business structure to satisfy users' diverse needs

Adhering to an owner-centric philosophy, the Group was acutely responsive to the significant adjustments in the real estate market and residents' changing demands in consumption. We optimized our business structure, built a composite supply system of "goods + services", focused on "To-Customers" and were committed to creating a more convenient, comfortable and diverse community living experience for homeowners.

In view of residents' frequent needs, we enlarged the variety of retail goods and the depth of the supply chain, and continuously raised product quality and customer satisfaction through visible traceability, transparent operation and standardized after-sales guarantee. The introduction of home delivery increased homeowner penetration and acceptance considerably, rapidly materializing the business scale effects. In terms of spatial resources, we continued to promote efficiency of resource allocation and convenience facilities through thoughtful layout of service outlets including EV charging stations and smart express cabinets to better provide convenience for the community.

Our real estate agency adapted to market trends and adopted a flexible business model. Through core business synergy and differentiating customer service, we built a distinctive "property + rental and sales" service system for more flexible sales solutions and higher operational efficiency. In home improvement services, we shifted from a scale-oriented approach to capacity building, accurately targeting residents' rigid renovation needs, offering minor-renovation solutions, and providing standardized emergency services such as light fixture replacement, wall repair, and door and window renewal, encouraging the strategic transformation of our home improvement business in the era of existing housing stock.

Integrated into livelihood services, explored governance for community co-building

The Group has always assumed social responsibility. We responded to the policy of "beefing up property management and building a better home together" and actively sought collaboration among the government, community and homeowners for a modern governance model. Using platforms such as Party and Mass Service Stations and Red Reading Corners, we constructed a coordinated community and property management governance framework. The Zhongshan Ocean City project has established a regularized deliberation and problem-solving mechanism by creating a substantive co-governance platform integrating "community + residential Party branch + resident representatives + property management". This initiative leverages both offline and online channels, such as the "Red Heart Deliberation Pavilion". Meanwhile, the Dalian Ocean Red Star Sea project's tripartite linkage mechanism combining "Party building + online platforms + property management" has significantly enhanced community service efficiency, earning full recognition from government research teams.

We actively explored public livelihood services, paying attention to generating diverse cultural activities appealing to all ages. Various cheering activities benefitted the underprivileged, the elderly and children, promoting harmony in the community. In 2025, two themed programs "Youth Citizen" and "Sunshine Neighborhood Festival" were created to promote the concept of "sunshine neighborhood". More than 3,000 cultural activities were held and attended by about 900,000 people throughout the year, which effectively enhanced interaction, sense of belonging and cohesion in the neighborhood. The local Party committee and Meituan signed an agreement to build a rider-friendly community. By establishing a "15-minute rider service circle", deliverers' issues with rest, parking and access were addressed. Resources were coordinated to provide drinking water, quick-relief medication and rest stops. This systematically improved the working conditions of the new work force in a community setting and promoted social integration and inclusive governance.

The Group adhered to the origin of service and was guided by users' needs and satisfaction. Our quality service and professional capabilities were recognized by owners, tenants and the industry. Sino-Ocean Service was awarded "2025 Top100 Property Management Companies in China (Ranked 12th)" and "2025 Quality Leading Companies of China in Property Service" by the China Index Academy. We were also awarded "2025 Top 100 Brand Influential Property Management Companies in China" by China Property Management Think Tank, "2025 Excellence in Service Capability of Property Enterprises" and "2025 Superior Performance in Property Service Enterprises" by Guandian Index Academy.

Healthy and green operations empowered sustainable business value

Leveraging its edge on systematic services, certifications and endorsement by international authorities, as well as green and intelligent operation capabilities, the Group deeply cultivated the mid-to-high-end commercial and office space. Accumulating experience in high quality service in more than two decades, we built a comprehensive commercial and office space service standard system covering the entire lifecycle. We accrued core competitiveness in three dimensions: basic services, intelligent operation and maintenance, and energy saving. We were committed to creating sustainable commercial value for our clients and were awarded the “2025 Leading Property Management Companies of China in Low-Carbon Operations” and the “2025 Best ESG Practice among Listed Property Companies”.

The Group continues to refine its standardized service system for commercial and office properties. In 2025, it secured five-star property certification for its buildings while concurrently obtaining seven management accreditations: energy management, facilities management systems, smart property management systems, information security systems, customer complaint management systems, and integrity management systems. This demonstrates industry-leading management and service standards.

For sustainable development, the Group actively encouraged energy-saving remodeling, resource recycling and smart energy management, improving energy efficiency through technological upgrades and operational optimization. The green concept was deeply entrenched in our operation. During the period, four major commercial projects being Ocean International Center, Ocean Plaza, Ocean Office Park and Ocean Landscape Eastern Area, achieved full green electricity supply. We also provided cross-industry energy management solutions to expand service boundaries and contribute to low-carbon development.

2026 OUTLOOK

The property management industry faces increasingly fierce competition in the existing market, and the challenges arising from the substantial structural changes in the industry persist. However, challenges and opportunities coexist, and the market is constantly adjusting and optimizing, fostering new structural growth momentum. Although the industry's growth rate has gone into a lower gear, the combination of rising demand, continued release of policy dividends and the major reshaping of the industry landscape will drive the industry towards standardization, professionalism, and good service. Property management will move steadily towards a more professional, standardized, and diversified direction.

In 2026, the Group will persevere in the strategic resolve of the service industry and make determined efforts to reorient. Adhering to the “customer first and people-oriented” approach, we will reinvent ourselves to enhance both quality and growth simultaneously. The Group will completely revamp the customer service model, reform the infrastructure, boost customer loyalty and trust, and augment customer satisfaction and brand value. We will penetrate core urban clusters, advance project operational efficiency and business performance; expand value-added services, substantiate service content, focus on customer-end retail business, and meet homeowners' diverse and personalized needs. We will brace streamlining of operation, exercise stringent control on accounts receivable, optimize cash flow and cost structure to ensure sound and safe operations. We will also reinforce risk control at all times and constantly improve the quality of governance and development resilience. With quality service we are going to win the trust of customers who are our top priority. We will strengthen sustainability and consolidate the foundation for development with meticulous operation, encourage growth with visionary planning, and safeguard protection with strict compliance. We remain steadfast in the strategy of high-quality, healthy and sustainable development, and work together to create a good life.

APPRECIATION

On behalf of the Board, I would like to extend my deepest gratitude to all shareholders, investors, customers, business partners, the government and all the directors, management and the entire staff who have worked together with the Group. We could not have enjoyed our continued stable growth without their unreserved support.

Yang Deyong

Joint Chairman

Hong Kong

25 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's discussion and analysis for the year ended 31 December 2025 is summarized below:

BUSINESS REVIEW

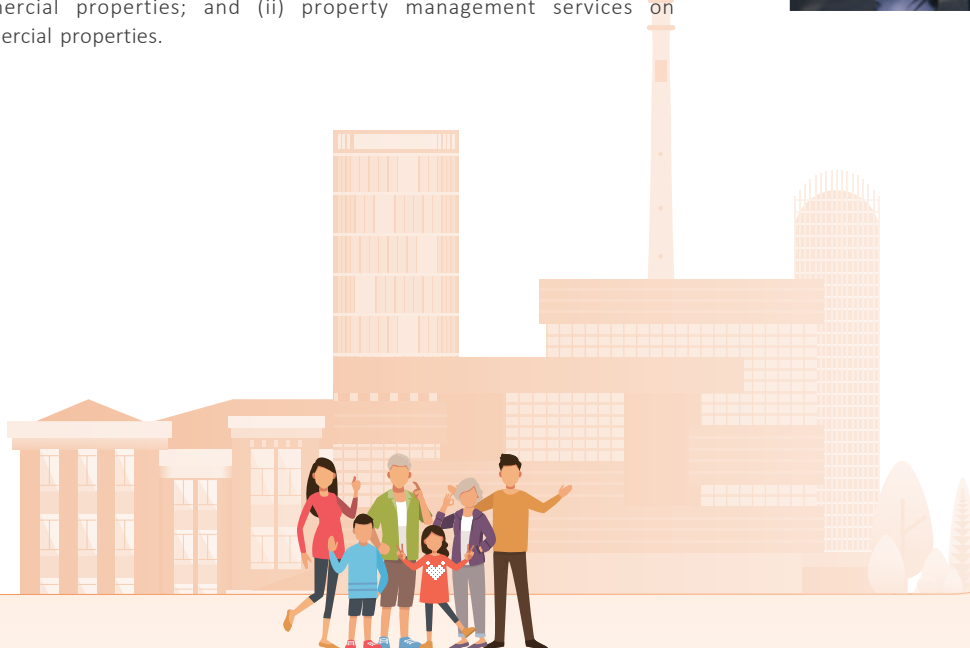
Business overview

The Group is a comprehensive property management service provider with extensive geographic coverage in the PRC. We manage a portfolio of diversified property types covering mid- to high-end residential properties, commercial properties such as shopping malls and office buildings, and public and other properties, providing customers with comprehensive services along the value chain of property management, including property management services, community value-added services and value-added services to non-property owners. The Group has consistently enjoyed a sound reputation in the industry on the back of its quality services and proven industry experience over the years.

The Group's services include three principal business segments: (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners.

Property management services

The Group's property management services include two principal business lines: (i) property management services on residential and other non-commercial properties; and (ii) property management services on commercial properties.





Property management services



Community value-added services



Value-added services to non-property owners



Property management services on residential and other non-commercial properties

The Group provides a range of property management services including security, cleaning, greening, gardening and repair and maintenance services for residential and other non-commercial properties (such as hospitals, public service facilities, government buildings and schools).

Property management services on commercial properties

The Group provides a range of property management services, including security, cleaning, greening, gardening and repair and maintenance services for shopping malls and office buildings.

Community value-added services

We provide community value-added services to property owners and residents of our managed properties to address their lifestyle and daily needs which mainly include:

- (i) community asset value-added services such as carpark management, energy management and community operation services;
- (ii) community living services such as home appliances maintenance and repair services, retail sales of commodities, home decoration services, housekeeping and other bespoke services; and
- (iii) property brokerage services.

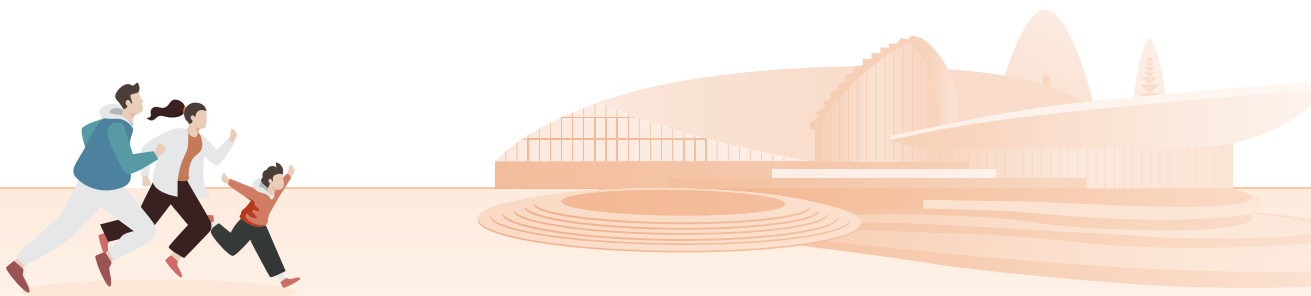
Value-added services to non-property owners

We provide value-added services to non-property owners, including mainly:

- (i) pre-delivery services to property developers to assist with their sales and marketing activities at property sales venues and display units;
- (ii) consultancy services to property developers to assist with the overall planning and management of pre-sale activities; and
- (iii) property engineering services.

OVERALL RESULTS

For the year ended 31 December 2025, the Group's total revenue from (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners amounted to RMB2,724.2 million, decreasing by approximately 4% as compared to the same period previous year.



The following table sets forth the breakdown of our revenue by business lines for the years ended 31 December 2025 and 2024 respectively:

For the year ended 31 December

	2025		2024	
	Revenue		Revenue	
	(RMB'000)	%	(RMB'000)	%
Property management and commercial operational services				
(a) Property management services on residential and other non-commercial properties	1,710,356	63	1,729,286	61
(b) Property management services on commercial properties	328,244	12	353,721	12
Sub-total	2,038,600	75	2,083,007	73
Community value-added services	477,850	17	489,250	17
Value-added services to non-property owners	207,708	8	267,772	10
Total	2,724,158	100	2,840,029	100



PROPERTY MANAGEMENT SERVICES

For the year ended 31 December 2025, the Group's revenue from property management services amounted to RMB2,038.6 million, representing approximately 75% of the Group's total revenue.

Strategic optimisation of business layout and consolidation, independent outward expansion capacity remains prominent. The Group has deepened the strategic orientation towards high-quality development by driving progress through a dual-pronged approach of enhancing the quality of existing properties and prioritizing high-quality incremental projects. While orderly exiting low-efficiency projects, the Group continued to refine its market-oriented expansion mechanism, and achieved strategic optimisation of its business layout. As of 31 December 2025, the Group had 555 contracted property management service projects of varied business types, with contracted GFA of 114.0 million sq.m., a decrease of approximately 7% compared to 31 December 2024; and GFA under management of 89.4 million sq.m., a decrease of approximately 3% compared to 31 December 2024, mainly due to the proactive exit from low-efficiency projects during the year. During the year, the Group consolidated regional coverage through grid-based expansion, secured premium resources by deepening cultivation of major clients, and strengthened internal empowerment through geographical and property synergy, thereby continuously broadening its business footprint and further consolidating its market competitive advantages. We continued to channel our resources for expansion towards high-value regions and business formats, having enabled the continuous expansion of our portfolio into strategic emerging sectors such as industrial parks, government facilities, hospitals, and schools, while also unlocking new formats such as museums. These efforts lay the foundation for upgrading our service matrix. By strengthening the "expansion and operation integration (拓運一體)" synergy mechanism and deepening its whole-staff expansion model, we concentrated on sectors with stable demand and high certainty, such as government, central and state-owned enterprises, thereby enhancing our resilience to economic cycles. In 2025, the Group achieved new contracted GFA of 7.1 million sq.m., of which approximately 94% came from third parties, demonstrating its independent outward expansion capacity.



The table below sets forth details of contracted GFA and GFA under management as at the dates indicated:

As at 31 December

	2025	2024
Contracted GFA ('000 sq.m.)	114,044	122,265
Number of projects relating to contracted GFA	555	578
GFA under management ('000 sq.m.)	89,420	92,525
Number of projects relating to GFA under management	516	518

The table below sets forth a breakdown of the Group's contracted GFA and GFA under management as at the dates indicated by the source of projects:

As at 31 December

	2025				2024			
	Contracted GFA		GFA under management		Contracted GFA		GFA under management	
	('000 sq.m.)	%	('000 sq.m.)	%	('000 sq.m.)	%	('000 sq.m.)	%
Properties developed/owned by Sino-Ocean Group (including its joint ventures and associates)	56,701	50	50,739	57	58,309	48	50,948	55
Properties developed/owned by other third parties ¹	57,343	50	38,681	43	63,956	52	41,577	45
Total	114,044	100	89,420	100	122,265	100	92,525	100



Note:

- 1) Refers to property developers other than Sino-Ocean Group (including its joint ventures and associates); and property owners of certain public and other properties other than Sino-Ocean Group (including its joint ventures and associates).

As of 31 December 2025, our projects covered 88 cities across 28 provinces, autonomous regions and municipalities in China. Our geographical presence covered 5 major city clusters of China, including the Beijing-Tianjin-Hebei region, Bohai Rim region, Eastern China region, Southern China region and Central and Western China region, which are mainly concentrated in first-tier and second-tier cities such as Beijing, Tianjin, Qingdao and Wuhan. First-tier and second-tier cities accounted for approximately 81% of our GFA under management.

We continued to consolidate the scale barriers in the Beijing-Tianjin-Hebei region, Bohai Rim region and Eastern China region, and solidified the foundational market in our advantageous regions. Meanwhile, we have focused on fostering the accelerated release of growth momentum in Southern China region, Central and Western China region, which have become a key component driving the optimisation of our nationwide layout. As of 31 December 2025, the Beijing-Tianjin-Hebei region, Bohai Rim region, Eastern China region, Southern China region, and Central and Western China region accounted for approximately 28%, 23%, 16%, 14% and 19%, of our GFA under management, respectively.



The table below sets out a breakdown of the contracted GFA and GFA under management in cities where the Group's property management service projects were primarily located as at 31 December 2025 according to the city classification by China Business Network:

	Contracted GFA		GFA under management	
	('000 sq.m.)	%	('000 sq.m.)	%
First-tier cities	19,205	17	18,396	20
New first-tier cities	31,492	27	26,610	30
Second-tier cities	30,689	27	27,447	31
Other cities	32,658	29	16,967	19
Total	114,044	100	89,420	100

The table below sets forth a breakdown of the Group's contracted GFA and GFA under management by geographic location as at the dates indicated and revenue generated from its property management services for the years ended 31 December 2025 and 2024, respectively:

As at or for the year ended 31 December

	2025				2024			
	Contracted GFA	GFA under management	Revenue		Contracted GFA	GFA under management	Revenue	
	('000 sq.m.)	('000 sq.m.)	(RMB'000)	%	('000 sq.m.)	('000 sq.m.)	(RMB'000)	%
Beijing-Tianjin-Hebei region ¹	36,683	24,944	663,377	32	41,735	27,781	674,220	32
Bohai Rim region ²	23,232	20,228	422,258	21	24,424	20,421	417,481	20
Eastern China region ³	17,033	14,461	342,807	17	18,887	15,942	403,480	19
Southern China region ⁴	14,270	12,403	296,982	15	13,829	11,843	286,008	14
Central and Western China region ⁵	22,826	17,384	313,176	15	23,390	16,538	301,818	15
Total	114,044	89,420	2,038,600	100	122,265	92,525	2,083,007	100

Notes:

- 1) "Beijing-Tianjin-Hebei region" refers to cities or municipalities including Beijing, Tianjin, Shijiazhuang, Qinhuangdao, Langfang, etc.
- 2) "Bohai Rim region" refers to cities including Dalian, Qingdao, Shenyang, Jinan, Changchun, Taiyuan, etc.
- 3) "Eastern China region" refers to cities or municipalities including Hangzhou, Wenzhou, Shanghai, Zhenjiang, Suzhou, Nantong, Nanjing, Wuxi, Jinhua, etc.
- 4) "Southern China region" refers to cities including Zhongshan, Shenzhen, Zhanjiang, Nanning, Foshan, Guangzhou, Sanya, Liuzhou, etc.
- 5) "Central and Western China region" refers to cities or municipalities including Wuhan, Changsha, Zhengzhou, Xi'an, Chengdu, Chongqing, Kunming, Xining, Nanchang, Guiyang, etc.



Property management services on residential and other non-commercial properties

As at 31 December 2025, the contracted GFA of the Group's residential and other non-commercial property projects were 105.9 million sq.m., a decrease of about 6% as compared to 31 December 2024, and our GFA under management was 84.0 million sq.m., representing a decrease of approximately 3% as compared to 31 December 2024.

The table below sets forth details of the contracted GFA and GFA under management of the Group's residential and other non-commercial properties projects as at the dates indicated:

As at 31 December

	2025	2024
Contracted GFA ('000 sq.m.)	105,914	113,226
Number of projects relating to contracted GFA	484	502
GFA under management ('000 sq.m.)	83,986	87,003
Number of projects relating to GFA under management	452	453

Tailored service solutions for enhancing service quality through a customer-centric approach. In 2025, adhering to our corporate value of "Serving Health Wholeheartedly", we took customer needs as our guiding principle and focused on refining the details of quality services. Our property service satisfaction rate remained at 87 points. The Group continuously upgraded its customer tagging system and built multi-dimensional customer portraits to realize the precise upgrade of services to a "customer-specific strategy" model. For ordinary, mid-end and high-end projects, we implemented tiered service delivery, launched a service design product library covering 60 replicable and promotable service design points, and improved the systematic development of service content. Meanwhile, we established a closed-loop response mechanism for customer demands to ensure the rapid response and efficient resolution of issues. We fully rolled out the grid-based allocation of property managers, with property managers as the core to deploy specialized service personnel, achieving the precise implementation of property management. We integrate the leadership of Party-building, professional services, homeowner autonomy, and community governance efforts to build a community governance consortium with multi-stakeholder participation. We strived to create a high-quality community ecosystem: the "Sunny Neighborhood Festival (陽光友鄰節)" was held across all our projects; themed activities such as charity bazaars and parent-child challenge games were frequently organized; and the "Youth Citizen (小公民)" initiative focused on key areas such as emergency rescue, escorting the safe growth of children. During the year, the Group has been honored with a number of authoritative industry awards, including 2025 Top100 Property Management Companies in China, 2025 Listed Companies of China Property Management Service (Ranked 14th) and 2025 Quality Leading Companies of China in Property Service.

Property management services on commercial properties

Upgrading the full-cycle service experience for commercial properties, building differentiated competitive advantages through green and smart initiatives. For the year ended 31 December 2025, the Group's revenue from property management services on commercial properties amounted to RMB328.2 million, representing a decrease of approximately 7% compared to same period of last year, which was mainly due to the Group's operational strategy adjustment during the period, which involved withdrawing from two continuously loss-making commercial property projects. As at 31 December 2025, the Group's commercial property management service projects had a contracted GFA amounted to 8.1 million sq.m. and GFA under management of 5.4 million sq.m., decreasing by approximately 10% and 2%, respectively, as compared to 31 December 2024. First-tier and second-tier cities accounted for 99% of our GFA under management. The Group's commercial property management services were focused on the two principal business forms of shopping malls and office buildings. During the period, we developed a "Tenant Full Lifecycle Service Package", spanning from pre-occupancy consultation to post-occupancy regular interviews, aimed at enhancing customer touchpoint experiences. We continuously built a distinctive product system for commercial properties, with a focus on exploring value-added services such as customisation for major clients, thereby strengthening our capability to unlock the value of commercial projects. Concurrently, we replicated service models from benchmark projects to improve the efficiency of regional grid-based operations, enhancing customer stickiness and word-of-mouth. We also established a competitive edge in green and smart operations by tailoring "smart + green and energy-saving" full-chain services for clients across different formats, empowering asset appreciation and building differentiated competitive advantages.

The table below sets forth details of the contracted GFA and GFA under management of the Group's commercial property management projects as at the dates indicated:

As at 31 December

	2025	2024
Contracted GFA ('000 sq.m.)	8,130	9,039
Number of projects relating to contracted GFA	71	76
GFA under management ('000 sq.m.)	5,434	5,522
Number of projects relating to GFA under management	64	65

COMMUNITY VALUE-ADDED SERVICES

Optimising the core business portfolio structure and deepening near-site services and resource monetization. For the year ended 31 December 2025, revenue from community value-added services amounted to RMB477.9 million, representing a decrease of approximately 2% compared to the same period last year and accounting for approximately 17% of the Group's total revenue. In 2025, we optimised the structure of our value-added business portfolio to achieve targeted resource allocation. Revenue from community living services accounted for approximately 19% of the total revenue from community value-added services. We deepened our presence in the neighbourhood retail by leveraging community water stations to capitalise on high-frequency drinking water consumption scenarios, thereby driving business scale growth. We pursued dual-channel development through direct sourcing from production areas and joint procurement with leading property management companies to enhance supply chain efficiency. Revenue from leasing and sales services accounted for approximately 9% of the total revenue from community value-added services. We strengthened our online self-media operation model, focusing on high-end projects to unlock new momentum for revenue generation from property transactions. In spatial resource management, we explored the operational value of community spaces, continuously optimised the network layout of convenience facilities such as charging stations to enhance the community living convenience experience. For home decoration services, in response to rigid community renovation needs, we revitalised living quality through micro-renovation projects, while concurrently initiating a strategic transformation focused on capability building. We will continue to iterate our community retail operation model, leverage our advantages to create proprietary traceable products, optimise refined management and operation capabilities for various resources to comprehensively enhance the ToC customer experience. By integrating commercial property resources, we will carry out specialised group purchasing and corporate bulk product customisation services, injecting new momentum into the long-term sustainable development of community value-added businesses.



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

For the year ended 31 December

	2025		2024	
	(RMB'000)	%	(RMB'000)	%
Community asset value-added services ¹	345,075	72	350,690	72
Community living services ²	91,238	19	100,778	21
Property brokerage services ³	41,537	9	37,782	7
Total	477,850	100	489,250	100

Notes:

- 1) Community asset value-added services mainly include carpark management services, community space operation services and energy management services.
- 2) Community living services mainly include housekeeping and cleaning services, repair and maintenance services of home electrical appliances and equipment, retail sales of commodities, home decoration services and other bespoke services.
- 3) Property brokerage services mainly include sales transactions and sales agency services of parking spaces, agency in the resale or lease transactions of owners' properties and parking spaces.

VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

Deepening business restructuring to enhance counter-cyclical resilience. For the year ended 31 December 2025, revenue from value-added services to non-property owners amounted to RMB207.7 million, representing a decrease of approximately 22% compared to the same period last year and accounting for approximately 8% of the Group's total revenue. The decline in the revenue scale of value-added services to non-property owners was primarily attributable to the dual impact of the prevailing real estate market conditions and the Group's proactive business portfolio adjustments. While proactively scaling down low-efficiency businesses, we further strengthened the synergies between value-added services to non-property owners and property management business, and value-added services to property owners. By concentrating on core capability building and leveraging refined management and resource integration, we enhanced the operational efficiency and counter-cyclical resilience of this segment.

The following table sets forth a breakdown of the Group's revenue generated from value-added services to non-property owners by service types for the years ended 31 December 2025 and 2024, respectively:

For the year ended 31 December

	2025		2024	
	(RMB'000)	%	(RMB'000)	%
Pre-delivery services ¹	60,094	29	86,631	32
Consultancy services ²	47,951	23	63,143	24
Property engineering services ³	99,663	48	117,998	44
Total	207,708	100	267,772	100

Notes:

- 1) Mainly represents on-site services to offer pre-delivery services to property developers, such as assistance for their sales and marketing activities at property sales venues and display units, so as to create high-quality service brands for property developers among potential property buyers.
- 2) Mainly represents provision of additional specialized and customized support services, including dedicated security, cleaning, greening and protocol reception services.
- 3) Mainly represents property engineering services to property developers and other property management companies, including property engineering, greening, gardening, repair and maintenance of residential communities and non-residential properties, operation and maintenance of facilities and equipment and the upgrade of smart security systems.

FUTURE DEVELOPMENT PLANS AND OUTLOOK

Solidifying fundamentals for sustainable and high-quality growth. While steadily phasing out existing risks and ensuring the sustainable operation of our projects, we are pursuing balanced growth in both scale and quality. We will strategically channel resources towards major city clusters to foster synergistic growth that is both high-quality and sustainable. By connecting these hubs into continuous belts of development, we aim to unlock significant economies of scale and capture a dominant market share. Building on our traditional strengths in residential and commercial properties, we have strategically accelerated the expansion into new property types such as industrial parks and public facilities (government, healthcare, education) to diversify revenue streams and build counter-cyclical strength. To support this, we have standardized our market expansion processes and embedded an “expansion and operation integration (拓運一體)” mechanism that breaks down silos and maximizes resource synergy. By breaking down barriers between functional departments, we facilitate efficient internal resource synergy and ensure high-quality takeover and operation of newly expanded projects. We will unlock the full potential of our existing customer base and drive the effective implementation of incentive programs. By increasing the proportion of independently sourced projects and fully integrating internal and external resources to jointly drive high-quality market expansion.

Transcending existing market competition through quality excellence and redefining the service foundation. Guided by the service philosophy of “customer first and people-oriented”, we will continuously elevate our core property management standards to ensure reliability and stability, thereby strengthening customer trust and loyalty. Key initiatives include refining customer information governance, creating high-frequency service touchpoints and streamlined circulation spaces, iterating our product portfolio, and establishing a mechanism for normalised service design to continuously optimise our customer engagement model. We will empower frontline customer service stewards by implementing a grid-based management model and introducing smart service tools. This will enable rapid response to and efficient execution of customer needs, building a differentiated competitive advantage in the existing market. By comprehensively developing our To Consumer business and expanding in-home services, we aim to drive scale growth. This will establish a diversified service and operational structure where “survival by basics, growth by value-adding”.

Precision operations for cash flow security and mastering the art of service beyond service. We will enhance our capabilities in the meticulous management and operation of various resources to improve resource utilization efficiency. Leveraging service level standards, we adopt differentiated operational strategies for each project. We will implement accountability for autonomous operations by strengthening project-level independent management and cash flow capabilities. By fostering a governance mindset among frontline personnel, we aim to solidify the foundation for sustainable project performance. We will establish a pre-emptive mechanism for operational risk management by unlocking revenue potential and implementing lean cost control. Initiatives to optimize personnel allocation, including the advancement of smart technologies, job integration, and the development of shared service centers, will be accelerated to ensure healthy and stable operating cash flow. This marks a fundamental shift from “control” to “empowerment,” epitomised by our commitment to “serving the service.” By channeling organisational capabilities and resources to the front lines, we aim to reshape the value of frontline employees through core talent development and tiered job structuring. With a sharp focus on our principal business, we will solidify our operational foundation and enhance quality. By optimising our assets and liabilities with a steadfast focus on cash flow, we are committed to a transformative journey that rebalances quality and growth.

FINANCIAL REVIEW

Revenue

The Group's revenue in 2025 slightly decreased by approximately 4% to RMB2,724.2 million, from RMB2,840.0 million in 2024. The Group's revenue is mainly generated from (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners, which contributed approximately 75%, 17% and 8% of the Group's total revenue in 2025, respectively.

The following table sets forth the breakdown of our revenue by business lines for the years ended 31 December 2025 and 2024 respectively:

	2025		2024	
	(RMB'000)	%	(RMB'000)	%
Property management services	2,038,600	75	2,083,007	73
Community value-added services	477,850	17	489,250	17
Value-added services to non-property owners	207,708	8	267,772	10
Total	2,724,158	100	2,840,029	100

For the year ended 31 December

Revenue from property management services slightly decreased by approximately 2% to RMB2,038.6 million in 2025 from RMB2,083.0 million in 2024. The decrease was mainly attributable to the decrease in the GFA under management.

Revenue from community value-added services slightly decreased by approximately 2% to RMB477.9 million in 2025 from RMB489.3 million in 2024, which was mainly attributable to the decrease in revenue from community living services.

Revenue from value-added services to non-property owners decreased by approximately 22% to RMB207.7 million in 2025 from RMB267.8 million in 2024. The decrease was mainly caused by (i) revenue from pre-delivery services which decreased by approximately 31% to RMB60.1 million in 2025 from RMB86.6 million in 2024, mainly attributable to the decrease in pre-sale activities in the real estate market; and (ii) revenue from consultancy services which decreased by approximately 24% to RMB48.0 million in 2025 from RMB63.1 million in 2024, mainly attributable to the proactive withdrawal from consultancy services with low rate of return.

Cost of sales and services

For the year ended 31 December 2025, cost of sales and services was RMB2,565.6 million as compared to RMB2,322.7 million in 2024, representing increase of approximately 10%.

The cost of sales and services comprised mainly (i) outsourced security, greening and cleaning expenses; (ii) employee benefit expenses, maintenance and utilities expenses; (iii) cost of consumables and construction materials; (iv) cost of merchandises sold; and (v) impairment losses on inventories.

Outsourced security, greening and cleaning expenses in 2025 remained stable at RMB852.8 million as compared to RMB854.8 million in 2024.

Employee benefit expenses, maintenance and utilities expenses in 2025 in aggregate increased by approximately 8% to RMB1,290.4 million as compared with that of RMB1,191.2 million in 2024, which was mainly attributable to the increase in cost of these services due to the increase in labor cost.

Cost of consumables and construction materials decreased by approximately 9% to RMB26.7 million in 2025, as compared to RMB29.2 million in 2024, which was in line with the decrease in revenue from value-added services to non-property owners.

Cost of merchandises sold slightly decreased by approximately 2% to RMB73.9 million in 2025 from RMB75.5 million in 2024, which was in line with the decrease in the scale of the retail sales in our community living services.

Impairment losses on inventories increased to RMB165.2 million in 2025 (2024: RMB23.0 million), which was mainly contributed from the decline of value of the properties held for sale due to the downturn of the overall real estate market in the PRC.

Gross profit and gross profit margin

Gross profit in 2025 decreased by approximately 69% to RMB158.6 million from RMB517.3 million in 2024. The overall gross profit margin for the year of 2025 decreased to approximately 6% from approximately 18% in 2024, mainly attributable to the decrease in gross profit margin of property management services and value-add services to non-property owners, and the loss generated from community value-added services due to the impairment losses made to the inventories as mentioned above.

The table below sets forth the breakdown of our gross profit and gross profit margin by business lines for the years ended 31 December 2025 and 2024 respectively:

For the year ended 31 December

	2025		2024	
	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit	Gross profit margin
	(RMB'000)	%	(RMB'000)	%
Property management services	156,533	8	321,422	15
Community value-added services	(24,194)	(5)	151,977	31
Value-added services to non-property owners	26,229	13	43,881	16
Total	158,568	6	517,280	18

Gross profit margin for property management services decreased from approximately 15% in 2024 to approximately 8% in 2025. The reduction in gross profit margin was mainly due to the increase in cost of providing the property management services as mentioned above.

Gross loss margin for community value-added services was approximately 5% in 2025 (2024: gross profit margin of 31%), which was mainly attributable to the impairment losses made to the inventories as mentioned above.

Gross profit margin for value-added services to non-property owners decreased from approximately 16% in 2024 to approximately 13% in 2025, which was primarily attributable to the decrease in gross profit margin from consultancy services.

Other income and other losses, net

The other income in 2025 was RMB14.4 million, a decrease of RMB5.8 million from RMB20.2 million in 2024. The decrease was mainly attributable to the decrease in both the government grants received and the interest income.

We recorded other net losses of RMB207.5 million in 2025 (2024: RMB2.7 million). Other net losses mainly attributable to the loss of RMB207.1 million derived from the ongoing transaction between the Group and Sino Ocean Group, detail of which are disclosed in the below paragraphs headed "Material acquisitions and disposal of subsidiaries, associates and joint ventures – Transaction with Sino-Ocean Group" and the announcement and the circular of the Company which dated 16 July 2025 and 15 October 2025, respectively.

Operating expenses

Selling and marketing expenses increased by approximately 22% to RMB25.5 million in 2025 (2024: RMB21.0 million).

Administrative expenses in 2025 increased by approximately 4% to RMB238.6 million from RMB228.6 million in 2024.

Net impairment losses on financial assets

Net impairment losses on financial assets increased by approximately 243% to RMB870.4 million in 2025, from RMB254.0 million in 2024. The increase in such losses was mainly attributable to the increase in provision made by the Group for trade and other receivables, considering the sluggish macroeconomic environment and the downturn in the real estate market in the PRC.

Net impairment losses on goodwill and investment properties

In 2025, due to the reduction of business scale of certain subsidiaries caused by the overall real estate market downturn in the PRC, the Group recorded net impairment losses on goodwill and investment properties of RMB331.9 million and RMB16.3 million, respectively (2024: RMB9.2 million and RMB5.4 million, respectively).

Finance costs

Finance costs in 2025 and 2024 amounted to RMB0.5 million and RMB0.6 million, respectively, mainly comprised of interest expenses on lease liabilities.

Share of results of joint ventures

In 2025, the Group recorded a share of profit from joint ventures of RMB2.0 million (2024: share of loss of RMB0.6 million) in the share of results of joint ventures. The recorded profit was mainly due to the improvement in the financial performance of the joint ventures.

Taxation

Income tax credit of approximately RMB130.8 million was recorded in 2025 (2024: RMB13.3 million). It was mainly due to the recognition of deferred tax assets arose from the impairment losses recognized during the year.

(Loss)/profit attributable to owners of the Company

Mainly due to (i) the continuous adverse impact of the real estate market, and the overall real estate market downturn, in China, which led to the lengthening of the settlement cycle of relevant businesses which in turn led to an increase in the provision for impairment loss on trade and other receivables, and increases in the provision for impairment losses on inventories and goodwill; and (ii) the losses derived from the ongoing transaction in relation to the return of parking spaces by the Group to Sino-Ocean Group, loss attributable to owners of the Company of RMB1,371.2 million was recorded in 2025 (2024: profit of RMB28.9 million). The Group will strive to improve the return on equity attributable to owners of the Company by enhancing the quality of its property management services and consolidating the competitiveness of its core business.

Investment properties

Investment properties represented commercial properties, office buildings and parking spaces located in the PRC, which were held to earn rentals. As at 31 December 2025, the Group's investment properties amounted to RMB68.3 million (As at 31 December 2024: RMB89.5 million).

Property, plant and equipment

Property, plant and equipment mainly consisted of office and operating equipment, leasehold improvement, vehicles and buildings. As at 31 December 2025, the Group's property, plant and equipment amounted to RMB27.9 million (As at 31 December 2024: RMB34.5 million).

Intangible assets

Intangible assets comprised of computer software, property management contracts, customer relationships, trademark and goodwill. As at 31 December 2025, the Group's intangible assets amounted to RMB295.6 million (As at 31 December 2024: RMB668.9 million). The decrease was primarily due to amortisation and goodwill impairment losses during the year.

Inventories

Inventories primarily consisted of parking spaces, commercial properties and community facilities held for sale and consumables held for consumption during the provision of property management services. Our inventories were RMB211.5 million as at 31 December 2025 (As at 31 December 2024: RMB614.2 million), the decrease was mainly due to the increase in impairment losses on inventories and the transaction as mentioned above.

Trade and note receivables

Trade and note receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. Our trade and note receivables mainly arise from our property management services and value-added services provided. We usually issue a monthly payment notice to our customers of value-added services, who must pay accordingly. We generally do not grant a credit term to our customers of property management services and 60 days for value-added services to non-property owners are granted, respectively.

As at 31 December 2025, trade and note receivables amounted to RMB675.7 million, representing a decrease of approximately 35% as compared to RMB1,038.2 million as at 31 December 2024. We will continue to enhance various measures to ensure the timeliness and expedite the recovery of our trade and note receivables.

Prepayments and other receivables

Prepayments and other receivables include prepayment to suppliers, other receivables and prepaid tax. As at 31 December 2025, the Group's prepayments and other receivables decreased by approximately 64% to RMB187.3 million (31 December 2024: RMB522.6 million).

Trade and other payables

Trade payables primarily represent our obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, including purchase of utilities and materials and purchase from sub-contractors. Accruals and other payables primarily represent: (i) deposit; (ii) amounts collected on behalf of property owner; (iii) accrued payroll and welfare payables; (iv) other payables to related parties; and (v) other tax payables.

As at 31 December 2025, trade and other payables amounted to RMB1,355.3 million (31 December 2024: RMB1,301.2 million).

Contract liabilities

Contract liabilities represent our obligations to provide the contracted property management services, community value-added services and value-added services to non-property owners. Contract liabilities mainly arose from the advance payments made by customers while the underlying services such as property management services and carpark management services are yet to be provided. As at 31 December 2025, our contract liabilities amounted to RMB474.7 million, representing a decrease of approximately 4% as compared to RMB494.1 million as at 31 December 2024, which was in line with the decrease in revenue.

Capital expenditures

In 2025, we incurred capital expenditures of RMB4.8 million (2024: RMB13.9 million), which mainly consisted of (i) purchase of intangible assets such as computer software; and (ii) purchase of property, plant and equipment.

Financial resources and liquidity

Regarding the funding and treasury policies and objectives, our principal cash requirements are to pay for working capital needs and capital expenditures for the expansion and procurement of property, plant and equipment and business acquisition. We meet these cash requirements by relying on our cash on hand and at financial institutions, net cash flows from operating activities and net proceeds from listing as our principal source of funding.

As at 31 December 2025, the Group had cash and cash equivalents of RMB693.8 million and restricted bank deposits of RMB18.3 million, amounted to RMB712.1 million in aggregate; of which approximately 99.9% (As at 31 December 2024: approximately 99.9%) of the Group's cash resources were denominated in RMB with the remaining balances denominated in HKD, and a current ratio of 1.0 times (As at 31 December 2024: 1.6 times), which calculated by dividing total current assets by total current liabilities. We have ample financial resources and an adaptable financial management policy to support our business expansion in the coming years.

The principal activities of the Group are conducted in the PRC. For the year ended 31 December 2025, the Group did not use any financial instruments for hedging purpose. In view of the potential Renminbi exchange rate fluctuations, we will continue to monitor the foreign exchange exposure, and take prudent measures to reduce foreign exchange risks. As at 31 December 2025 and 31 December 2024, the Group had no borrowings.

Gearing ratio

Gearing ratio is calculated by dividing total borrowings by total equity, based on the sum of bank loans and other borrowings as at the corresponding date divided by the total equity on the same date. As at 31 December 2025, gearing ratio was nil (As at 31 December 2024: nil).

Significant investments

As at 31 December 2025, we did not have any significant investments.

Save as disclosed in the paragraphs headed "Use of net proceeds from listing", we have no other plans for material investments or capital assets.

Capital commitments

As at 31 December 2025, the Group had no capital commitments (31 December 2024: nil).

Charge on assets

As at 31 December 2025, we did not have any charges on our assets.

Contingent liabilities

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

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Save as disclosed below, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during 2025.

- **Transaction with Sino-Ocean Group**

The Company (on behalf of each relevant member of the Group) and Sino-Ocean Group Company (the holding company and a controlling shareholder of the Company, on behalf of each relevant member of Sino-Ocean Group) entered into a framework agreement on 16 July 2025 and a supplemental agreement to such framework agreement on 10 October 2025 in relation to the return of certain assets by the Group to Sino-Ocean Group (the “Return”). The assets to be returned comprise 2,418 parking spaces located in the PRC (the “Target Assets”), which form part of the assets transferred by Sino-Ocean Group to the Group pursuant to the parking spaces transfer framework agreement and the commercial properties transfer framework agreement both dated 21 July 2023 (collectively, the “Original Assets Transfer Framework Agreements”) in relation to the acquisition by the relevant members of the Group of certain parking spaces and commercial properties from the relevant members of Sino-Ocean Group. The Return will be effected by way of cancellation of the transfer of the Target Assets pursuant to the Original Assets Transfer Framework Agreements, and the original transfer price of RMB312,400,500 for the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by a guaranteed loan (the “Guaranteed Loan”) to be granted by the Company or its designated wholly-owned subsidiary (as lender) to a designated wholly-owned subsidiary of Sino-Ocean Group Company (as borrower), with Sino-Ocean Group Company acting as the guarantor for the loan.

Upon completion of the Return and the settlement of the amount in the sum of RMB312,400,500 payable by Sino-Ocean Group to the Group as a result of the Return by the Guaranteed Loan (the “Transaction”), the Group will cease to have any interests in the Target Assets. The Group and Sino-Ocean Group are in the process of completing the Transaction. The Transaction has not been completed as of the date of this report.

Details of the Transaction have been disclosed in the announcement of the Company dated 16 July 2025 and the circular of the Company dated 15 October 2025.

Employees and human resources

As at 31 December 2025 the Group had 8,191 employees (31 December 2024: 8,585 employees). The total number of employees serving the Group decreased primarily attributable to the optimisation of the Group’s business strategy. At the same time, we continued to elevate our effort on improving both manpower effectiveness and control capability, as well as optimising resources allocation of the Group during the year. Our employee benefit expenses for 2025 were RMB901.3 million (2024: RMB871.3 million).

We have adopted an effective human resource system that provides differentiated employee training, performance evaluation and incentive measures which are tailored to the needs of different positions, from entry-level staff to senior management, with different skill requirements and career aspirations. We have competitive compensation plan, sound employee welfare policy, regular performance appraisal and internal rating system to attract external talents as well as retaining employees and management for our business expansion. We have also implemented various types of incentive schemes for different levels of employees.

We believe that our results-driven and value-sharing culture together with our well-developed talent selection, cultivation and evaluation initiatives have enabled us to identify, recruit, train and retain employees who share our fundamental values and are able to provide professional and high-quality services to customers, thus making us stand out from our competitors.

Important event after the period

- **Acquisition of parking spaces**

On 25 March 2026, Ocean Homeplus (a wholly-owned subsidiary of the Company) and Beijing Yuanxin Asset Management Co., Ltd.* (北京遠新資產管理有限公司) (“Beijing Yuanxin”, a wholly-owned subsidiary of Sino-Ocean Group Company) entered into a parking space asset acquisition agreement in relation to the acquisition by Ocean Homeplus of 191 parking spaces in the PRC from Beijing Yuanxin (the “Asset Transfer”).

The aggregate consideration payable by Ocean Homeplus to Beijing Yuanxin for the Asset Transfer is RMB31,333,400, which shall be fully settled by way of set-off against the refundable deposit receivables due from Beijing Yuanxin to Ocean Homeplus in the amount of RMB31,333,400 under an agreement dated 14 October 2022 (as amended and supplemented from time to time) entered into between the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each member of Sino-Ocean Group Company and its associates (collectively the “Sino-Ocean Connected Persons”) in relation to the grant of exclusive sales rights by the Sino-Ocean Connected Person(s) to the Group and the provision of exclusive sales agency services by the Group to the Sino-Ocean Connected Person(s) with respect to certain parking space(s) developed or held by the Sino-Ocean Connected Person(s).

The Asset Transfer has not been completed as of the date of this report.

Details of the Asset Transfer are disclosed in the announcement of the Company dated 25 March 2026.

Use of net proceeds from listing

The Shares were listed on the Main Board of the Stock Exchange on 17 December 2020 with 296,000,000 new Shares issued at a final offer price of HKD5.88 per Share. After deduction of the underwriting fees and commissions and expenses payable by the Company, net proceeds from the listing amounted to approximately HKD1,691.7 million (equivalent to approximately RMB1,426.3 million) and the net proceeds per Share were HKD5.72 (equivalent to approximately RMB4.82). Such proceeds were intended to be applied in the manner consistent with that disclosed in the Prospectus as set out below:

- Approximately 60%, or HKD1,015.0 million (equivalent to approximately RMB855.8 million), will be used to pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of our property management business;
- Approximately 20%, or HKD338.3 million (equivalent to approximately RMB285.3 million), will be used to develop smart community through upgrading of our systems for smart management;
- Approximately 10%, or HKD169.2 million (equivalent to approximately RMB142.6 million), will be used to enhance our level of digitisation and our internal information technology infrastructure; and
- Approximately 10%, or HKD169.2 million (equivalent to approximately RMB142.6 million), will be used for working capital and general corporate purpose.

As disclosed in the announcement of the Company on 11 November 2022 (the “Change in Use of Proceeds Announcement”), having carefully considered the increasingly competitive landscape in the property management industry in the PRC and the rise in operation costs brought about by the COVID-19 pandemic, the Group has taken a more conservative approach and has been exploring means with comparatively less capital commitment and manageable risks to better utilize the unutilized net proceeds and increase the proportion of businesses that could bring about a more stable source of income, with a view to bringing about considerable returns to the Shareholders. As such, in order to improve the efficiency and to optimize the use of the unutilized net proceeds, the Board had resolved to change the proposed use of unutilized net proceeds in the amount of approximately RMB532.3 million originally allocated for (a) pursuing selective strategic investment and acquisition opportunities and to further develop strategic alliances and expanding the scale of the Company’s property management business; (b) developing smart community by upgrading the Company’s systems for smart management; and (c) enhancing the Company’s level of digitisation and the Company’s internal information technology infrastructure, towards the (i) further expansion of and diversification into value-added services; (ii) further expansion of the business of commercial asset operation; and (iii) acquisition of self-use office premises (the “Reallocation”). Please refer to the Change in Use of Proceeds Announcement for details.

As at 31 December 2025, our planned use and actual use of net proceeds from listing was as follows:

	Planned use of net proceeds as disclosed in the Prospectus	Utilized immediately before the Reallocation	Planned use of net proceeds after Reallocation	Unutilized as at 31 December 2024	Utilized/ (Refunded) in 2025	Unutilized as at 31 December 2025	Expected timetable for the usage of the unutilized net proceeds as at 31 December 2025
	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	
Pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of our property management business	855.8	663.3	663.3	95.0	—	95.0 ^(Note 1)	On or before 30 June 2026
Develop smart community through upgrading of our systems for smart management	285.3	28.3	28.3	—	—	—	N/A
Enhance our level of digitisation and our internal information technology infrastructure	142.6	44.8	59.8	—	—	—	N/A
Working capital and general corporate purpose	142.6	142.6	142.6	—	—	—	N/A
Further expansion of and diversification into value-added services including (i) the acquisition of exclusive sales rights for parking spaces, and/or (ii) the investment in and/or acquisition of target(s) that provide complementary value-added services and other upstream and downstream business synergies	—	—	375.5	0.7	0.4	0.3 ^(Note 2)	On or before 30 June 2026
Further expansion of the business of commercial asset operation pursuant to the commercial property leasing and operation arrangement	—	—	79.4	—	—	—	N/A
Acquisition of self-use office premises in Shenzhen and Beijing, PRC ^(Note 3)	—	—	77.4	—	—	—	N/A
Total	1,426.3	879.0	1,426.3	95.7	0.4	95.3	

Notes:

- As at the date of this report, RMB95.0 million had not been utilized. The time to utilize such remaining net proceeds is expected to be on or before 30 June 2026, as it would take time for the Company to evaluate and identify suitable investment and acquisition targets under the current market conditions. It is expected that such remaining net proceeds would still be utilized for the purpose of pursuing selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of the Company's property management business as disclosed in the Prospectus and the Change in Use of Proceeds Announcement.
- As at the date of this report, RMB0.3 million had not been utilized. The time to utilize such remaining net proceeds is expected to be on or before 30 June 2026, as no suitable opportunities for the use of the remaining net proceeds had been identified and it would take time for the Company to evaluate and identify suitable opportunities under the current market conditions. It is expected that such remaining net proceeds would still be utilized for the purpose of further expansion of and diversification into value-added services pursuant to the reallocation arrangement as disclosed in the Change in Use of Proceeds Announcement.
- As disclosed in the 2024 annual report of the Company, the acquired premises had been re-designated for rental purposes. The Company will continue to carry out strategic reviews of the Group's assets from time to time with a view to maximizing returns to the Shareholders and, with due consideration given to factors including the then market conditions, valuation as well as the interests of the Company and the Shareholders as a whole, the Company may also consider to dispose of all or part of the acquired premises in future should suitable opportunity arise.

Save for the aforesaid changes, the Directors were not aware of any material change to the planned use of net proceeds as at the date of this report. Despite the above change in the use of the unutilized net proceeds, the Board confirmed that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board considered the above change in the use of the unutilized net proceeds was fair and reasonable as this would allow the Company to deploy its financial resources more effectively to reduce the operation costs of the Group and enhance the profitability of the Group and was therefore in the interests of the Group and the Shareholders as a whole.

The unutilized net proceeds prior to the full utilization were deposited with licensed banks or financial institutions in Mainland China and Hong Kong. As at the date of this report, the unutilized net proceeds amounted to RMB95.3 million. The expected timeline of full utilization set out above is based on the Directors' best estimation barring unforeseen circumstances, and is subject to change in light of future development of market conditions.

DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Company as of the date of this annual report are as follows:

Executive Directors



Mr. YANG Deyong

Mr. YANG Deyong, aged 52, joined the Board in September 2020 and is currently the Joint Chairman, Executive Director and member of the Remuneration Committee. He is also a director of certain subsidiaries of the Company. Mr. Yang joined Sino-Ocean Group Company, the controlling Shareholder and the shares of which are listed on the Main Board of the Stock Exchange, in April 2007 and served successively as general manager of Sino-Ocean Property Development Zhongshan (Shenzhen) Co., Ltd.* (遠洋地產中山(深圳)開發有限公司), general manager of customer services division, assistant to the president and vice president of Sino-Ocean Group and other positions. Mr. Yang joined Ocean Homeplus in August 2015 and served successively as a director, chairman and general manager. He also acted as the Chief Executive Officer from September 2020 up to 24 March 2025. Mr. Yang has extensive experience in corporate governance, business development and management. Mr. Yang graduated from Renmin University of China with a bachelor's degree in economics in 1995; graduated from Sun Yat-sen University with a master's degree in business administration in 2004; and graduated from China Europe International Business School with an EMBA degree in 2015.



Mr. HOU Min

Mr. HOU Min, aged 45, joined the Board in April 2024 and is currently an Executive Director, the Chief Executive Officer and a member of the Remuneration Committee. He is also a director of certain subsidiaries of the Company. Mr. Hou joined Sino-Ocean Group in August 2008 and previously served as customer service director, deputy general manager and general manager of companies established in Hainan Province, deputy general manager of property development department in the Southern Region, deputy general manager of the office of CEO affairs and general manager of the office of CEO affairs of Sino-Ocean Group. Mr. Hou is currently a deputy to the 8th People's Congress of Sanya and a member of its Legislative Affairs Commission. Mr. Hou has extensive experience in real estate operations management, customer service and corporate governance. Mr. Hou graduated from the Guanghua School of Management, Peking University with a master's degree in business administration in 2018; and graduated from China Europe International Business School with a degree in executive master of business administration (EMBA) in 2024.



Ms. ZHU Geying

Ms. ZHU Geying, aged 52, joined the Board in September 2020 and is currently an Executive Director and a member of the Nomination Committee. Ms. Zhu has been appointed as the chief financial officer of the Company with effect from 31 December 2024. She is also a director of certain subsidiaries of the Company. Ms. Zhu joined Sino-Ocean Group in July 2001 and served successively as the project finance manager and the chief financial officer of the enterprise division of Sino-Ocean Group; Ms. Zhu joined Ocean Homeplus in October 2016, and has been appointed as a director since February 2018. She also acted as the chief financial officer from April 2019 and was re-designated as the chief operating officer from August 2021 up to December 2024. Ms. Zhu has over 29 years of financial management experience. Ms. Zhu graduated from the Capital University of Economics and Business with a bachelor's degree in economics in 1996. In July 2010, she was qualified as a senior accountant in the PRC.

Non-executive Directors



Mr. CUI Hongjie

Mr. CUI Hongjie, aged 53, joined the Board in September 2020 and is currently the Joint Chairman, Non-executive Director, chairman of the Nomination Committee and member of the Audit Committee. Mr. Cui joined Sino-Ocean Group in August 1996 and is serving as an executive director, a member of the strategic and investment committee and an executive president of Sino-Ocean Group Company. Mr. Cui previously served as general manager of the costing and engineering department, general manager of technology and cost department, assistant to CEO and vice president of Sino-Ocean Group. Mr. Cui has extensive experience in operation and development of real estate, product creation and management. Mr. Cui graduated from Beijing University of Technology with a bachelor's degree in engineering in 1996 and a master's degree in engineering in 2001; and graduated from China Europe International Business School with a master's degree in business administration in 2022. Mr. Cui is a member of the Royal Institution of Chartered Surveyors, a national registered first-class constructor and a senior engineer.



Mr. ZHAI Senlin

Mr. ZHAI Senlin, aged 39, joined the Board in April 2025 and is serving as a Non-executive Director and a member of the Audit Committee. Mr. Zhai joined Sino-Ocean Group in February 2017 and is currently the general manager of the investment development center of Sino-Ocean Group. Mr. Zhai previously served as deputy investment director of the office of CEO affairs, assistant to the general manager of the investment and finance business center, deputy general manager of the investment development center and executive deputy general manager (in charge) of the investment development center of Sino-Ocean Group. Mr. Zhai was a non-executive director of Beijing Capital Grand Limited, a company formerly listed on the Stock Exchange. Mr. Zhai has extensive experience in project investment, large-scale transactions, compliance operations and strategic resources integration. Mr. Zhai graduated from Xi'an Jiaotong University with a bachelor's degree in science in 2008.

Independent Non-executive Directors



Dr. GUO Jie

Dr. GUO Jie, aged 61, joined the Board in November 2020 and is serving as an Independent Non-executive Director, member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Since May 1997, Dr. Guo has worked in the school of economics of Renmin University of China, and is currently a professor and a doctoral advisor in the school of economics, engaged in teaching and research. Dr. Guo graduated from Renmin University of China with a master's degree in economics in 1996 and a doctorate in economics in 2004.



Mr. HO Chi Kin Sammy

Mr. HO Chi Kin Sammy, aged 55, joined the Board in August 2022 and is serving as an Independent Non-executive Director, chairman of the Remuneration Committee, member of the Audit Committee and the Nomination Committee. Mr. Ho worked in Atherton Asset Management Limited (an asset management company which was licensed by the Securities and Futures Commission in Hong Kong) from 2013 to 2022, and served as a director, a responsible officer and a portfolio manager. Mr. Ho has over 25 years of experience in investment, asset management and finance. Mr. Ho graduated from Hong Kong Baptist College (now known as Hong Kong Baptist University) with a bachelor's degree of business administration in finance in 1993; and graduated from Seattle Pacific University with a master's degree of business administration in management in 1996. Mr. Ho is a Chartered Financial Analyst (CFA).



Mr. LEUNG Wai Hung

Mr. LEUNG Wai Hung, aged 58, joined the Board in August 2022 and is serving as an Independent Non-executive Director, chairman of the Audit Committee, member of the Nomination Committee and the Remuneration Committee. Mr. Leung holds a bachelor's degree in business administration from The Chinese University of Hong Kong. He has been a fellow member of The Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Leung has more than 20 years of working experience in various listed companies in Hong Kong mainly engaged in property business including Cheung Kong (Holdings) Limited (now known as CK Hutchison Holdings Limited) (stock code: 001). Mr. Leung also has extensive financial experience in initial public offering ("IPO"), merger and acquisition as well as fund raising and is familiar with the business environment of both Hong Kong and the Mainland China. In addition, Mr. Leung has extensive experience in real estate investment trusts ("REIT"). He participated in the IPO setup of the first private sector REIT, Prosperity REIT (stock code: 808) in Hong Kong in 2005 and worked for the manager of Fortune REIT (stock code: 778) as a Finance Director from 2011 to 2012. He worked as the financial controller of Shougang Concord International Enterprises Company Limited (now known as Shoucheng Holdings Limited) (stock code: 697) from 2013 to 2018. He also worked as the financial controller and company secretary of BeijingWest Industries International Limited (stock code: 2339) from April 2022 to December 2024. Mr. Leung has been an independent non-executive director of Fineland Living Services Group Limited (stock code: 9978) since October 2017 and China Fortune Holdings Limited (stock code: 110) since July 2021. Mr. Leung has also been an independent non-executive director of Gemini Investments (Holdings) Limited (stock code: 174), an associated company of Sino-Ocean Group Company, since April 2024. Mr. Leung was an independent non-executive director of Wing Lee Development Construction Holdings Limited (stock code: 9639) from September 2024 to July 2025.

Senior Management

Ms. LU Ping

Ms. LU Ping, aged 52, is the vice president of the Company. Ms. Lu joined Sino-Ocean Group Company in 2010 and served successively as the deputy general manager of the human resources center, deputy general manager of the Beijing development division, and deputy general manager of the product construction division of Sino-Ocean Group. Ms. Lu has extensive experience in human resources and administrative management at various levels within Sino-Ocean Group's business divisions. Ms. Lu joined the Group in June 2023 and served as vice president of Ocean Homeplus. Ms. Lu graduated from Shanxi University of Finance and Economics with a bachelor's degree in economics and Renmin University of China with a master's degree in business administration (MBA).

Mr. WANG Hongbin

Mr. WANG Hongbin, aged 43, is the vice president of the Company. Mr. Wang joined Sino-Ocean Group Company in 2007 and served successively as the engineering manager at Beijing Zhonglian Land*, general manager of the construction sub-center of the product construction division, and deputy general manager of the Western China development division of Sino-Ocean Group. Mr. Wang has extensive operational management experience at various levels within Sino-Ocean Group's business divisions. Mr. Wang joined the Group in October 2024 and served as vice president of Ocean Homeplus. Mr. Wang graduated from the Beijing Institute of Civil Engineering and Architecture with a bachelor's degree in electrical automation.

Mr. YAO Yuanfei

Mr. YAO Yuanfei, aged 44, is the chief risk officer of the Company. Mr. Yao joined Sino-Ocean Group Company in 2016 and served as the deputy director of the risk management center of Sino-Ocean Group, and was re-designated as the director of the risk management department of the customer services division of Sino-Ocean Group. Mr. Yao joined the Group in April 2019 and served successively as general manager of the risk control department, assistant to the general manager, and chief risk officer of Ocean Homeplus. Mr. Yao graduated from the China University of Political Science and Law with a master's degree in civil and commercial law.

Company Secretary

Ms. CHAN Ka Man

Ms. CHAN Ka Man, aged 51, has been appointed as the Company Secretary since December 2025. Ms. Chan is currently the financial controller of Sino-Ocean Land (Hong Kong) Limited, a wholly-owned subsidiary of Sino-Ocean Group Company. Ms. Chan joined Sino-Ocean Group Company in July 2008 and is the company secretary of Sino-Ocean Group Company. Ms. Chan has over 20 years of experience in accounting and finance, with extensive expertise in areas including financial operations, compliance, and business advisory. Ms. Chan graduated from Bluffton University with a bachelor's degree in accounting and business administration in 1996, and graduated from The University of Hong Kong with a master of business administration in 2016. Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

INVESTOR RELATIONS REPORT

PROMOTING VALUES

The Board and management regard investor relations management as a vital component of the Company's overall strategy. We firmly believe that an efficient and transparent information disclosure mechanism is the cornerstone for building market trust. By actively listening to the voices of Shareholders, investors, analysts, and the media, we are committed to eliminating information asymmetry. Our goal is to guide the capital market towards an accurate understanding of the Group's business progress, strategic plans, and risk mitigation measures, thereby facilitating the discovery of the Company's value, enhancing investors' confidence, and ultimately creating maximum value for our Shareholders.

During 2025, the Company established a multi-faceted capital market communication system to ensure close interaction with all market participants. We maintained high-frequency engagement with core investors and analysts through various channels, including results announcement press conferences, reverse roadshows, sessions with brokerage firms, and industry forums. Leveraging the "Sino-Ocean Service" official WeChat account and the Company's website, we have instituted a regular information dissemination mechanism, ensuring that operational updates, announcements, and periodic reports reach investors and the public in real-time. The investor relations team actively participates in capital market activities, promptly addresses market concerns, and ensures the accuracy and consistency of information conveyed.

The Company will further elevate its investor relations management standards. We will continuously improve the frequency and quality of communication. Through precise and targeted information delivery, we aim to strengthen investors' recognition of and loyalty to the Company's long-term development strategy, effectively safeguarding the interests of all Shareholders. The Company will publish public information such as announcements, interim and annual reports on the Company's website at www.sinooceanservice.com and maintain regular communication with the capital market through designated personnel. Interested parties can obtain such information by contacting our investor relations department at ir@sinooceanservice.com for any inquiries or additional information.

SHARE PRICE PERFORMANCE

For the trading days from 1 January 2025 to 31 December 2025, the Company recorded:

January-December 2025	Highest	Lowest
Price per Share of the Company (HKD)	0.7	0.39

Share Price Performance in 2025 (1 January 2025 to 31 December 2025)

As of 31 December 2025, the total number of Shares of the Company was 1,184,000,000 with the closing price of HKD0.395. Based on the closing price on 31 December 2025, the market capitalisation of the Company was approximately HKD467.68 million.

SUSTAINABILITY REPORT

The Group integrates the concept of sustainable development into its strategy and operations, and further deepens its environmental, social and governance (ESG) management. We actively establish normalized communication mechanisms with stakeholders and fulfill our corporate responsibilities through concrete actions, striving to become a practitioner of service-oriented enterprises. During the reporting period, the Company was honored with multiple awards, including “Leading Property Management Companies of China in Low-Carbon Operations” and the “Best ESG Practice among Listed Property Companies”, with its sustainable development performance gaining market recognition.

REINFORCING FOUNDATIONS AND PRIORITIZING COMPLIANCE

The Group upholds the risk management concept of “prevention first, full-process control, and all-employee participation, adheres to the principles of “running corporate according to law” and “equality before its rules”, and deeply integrates compliance concepts into the corporate DNA. We strictly comply with laws and regulations such as the Company Law of the People’s Republic of China and the Corporate Governance Code of Stock Exchange and continuously improve our corporate compliance governance system.

In 2025, the Company further strengthened its four-tier risk management structure, led by the Board, organized by management, coordinated by the Risk Control Department, and executed by various business units, ensuring risk governance permeates the entire decision-making and operational process. The Company issued the ESG and Climate Change Response Management Measures, formally incorporating climate risk into the comprehensive risk management system, demonstrating a forward-looking compliance perspective. It also formulated the Detailed Rules for the Negative List of Management Responsibilities (Trial) and the Guidelines for Closing the Loop on Rectification of Violations and Disciplinary Issues, and achieved closed-loop risk management across the entire process of “prevention beforehand, control in process, and post-event handling” by clarifying power boundaries and consolidating rectification responsibilities. We achieved online publication of policies via the BPM system, which ensures compliance requirements reach the front line directly. No major operational risk incidents were identified throughout the year.

The Group strictly implements national laws and regulations on anti-corruption and bribery, promotes a culture of integrity across the entire group, and requires all management personnel and employees to strictly adhere to the requirements for integrity in employment. During the reporting period, the Company conducted special training on the theme of “Integrity in Employment and Internal Audit Compliance” with over 8,800 participants, including directors, management and employees in high-risk positions, embedding integrity awareness at the grassroots level. Simultaneously, the Company established multi-channel reporting mechanisms to conduct special investigations into incidents such as embezzlement, bribery and fraud, and strictly implemented the Reporting and Complaint Handling Procedures to maintain strict confidentiality regarding whistleblower information and resolutely resist retaliation, fostering a clean and upright internal ecosystem.

Regarding intellectual property rights and data protection, the Company formulated and implemented the Standards for Management of Intellectual Property Rights and the Notice on Standardizing Promotional Content to regulate the use of brand assets. In accordance with regulations such as the Cybersecurity Law of the People’s Republic of China and the Personal Information Protection Law of the People’s Republic of China, the Company strengthened the full lifecycle management of customer data. During the reporting period, the Company achieved “zero leakage” of customer private data throughout year and received no valid complaints on privacy, demonstrating the effectiveness of its principle of “protection equals compliance”.

BUILDING WARM COMMUNITIES WITH INGENUOUS SERVICES

Upholding the values of “Serving Health Wholeheartedly” and the service philosophy of “Being understanding and innovative”, the Group always regards customer needs as the core driving force for quality improvement, and endeavors to comprehensively enhancing service experience through standardization, digital intelligence and humanization.

In terms of standardization, the Group strictly complies with laws and regulations such as the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests, and offers customized service solutions tailored for residential, commercial office and public building sectors based on the ISO 9001 quality management system. Through “Renovation Actions (煥新行動)”, the Group artistically and functionally transforms community landscapes and public facilities, which significantly improve living comfort. In terms of efficiency improvement, the Company continuously optimizes the customer service platform and pushes property services towards refinement and intelligence by deeply integrating cutting-edge technologies such as cloud computing, big data and artificial intelligence, providing owners with more convenient and efficient smart living solutions. In terms of customer rights protection, the Group, in adherence to national laws and regulations and internal systems like the Safety Committee Management Measures, established a safety management system characterized by “unified command and layered responsibility”, integrating safety management throughout the entire process of “prevention-control-emergency response”. During the reporting period, the Company launched the “Listening Action” by organizing middle and senior management to conduct home interviews with over 2,000 households, promoting service to be shifted from passive response to proactive care. At the project level, the Company established “Manager Meeting Days” to encourage project leaders to communicate face-to-face with owners regularly. Concurrently, the Company fully implemented grid-based management by authorizing frontline butlers to quickly dispatch resources to ensure efficient resolution of customer demands. In 2025, the customer complaint resolution rate of the Company remained at 100%, reflecting a “zero leakage” of customer private data for the entire year.

GREEN OPERATIONS FOR A LOW-CARBON FUTURE

The Group consistently upholds the concept of green development, and endeavors to promote the deep integration of low-carbon operations with corporate management. The Company integrates sustainable development into daily management in all aspects, committed to identifying and addressing climate risks, improving the environmental management system, enhancing resource utilization efficiency, reducing pollutant emissions, and continuously strengthening ecological protection and community co-construction. By embedding green standards into service processes, transforming carbon neutrality commitments into institutional drivers, and extending low-carbon concepts into multi-party consensus, the Company is moving from compliance towards value creation and contributing strength to building a green future.

Focusing on energy structure optimization and resource efficiency improvement, the Group incorporates green procurement standards, intelligent energy consumption control, and waste resource utilization fully into its service processes. During the reporting period, the Company concentrated on reducing the environmental footprint per unit of area under management and building a quantifiable low-carbon operational indicator system by promoting the application of green electricity, implementing energy-saving renovations, and advancing the creation of waste sorting demonstration sites. In 2025, the Company incorporated climate change into its comprehensive risk management system, formulated and issued the ESG and Climate Change Response Management Measures, and established a full-chain climate response framework covering “Governance-Strategy-Risk Management-Metrics and Targets” with reference to ISSB and Stock Exchange new regulations. It explicitly committed to achieving operational carbon neutrality by 2050, providing institutional guarantees for the low-carbon transition. Moving from its own operational carbon reduction to community co-construction, the Company advocates for a green lifestyle by organizing low-carbon themed activities, motivating owners and partners to jointly build a climate-resilient community ecology and transforming “green development” from a corporate strategy into a social consensus and practice participated by various parties.

ESTABLISHING FOUNDATION VIA TALENTS AND UNITING FOR COMMON GROWTH

The Group firmly believes that employees are the cornerstone of its sustainable development and the key driving force behind achieving the vision of “becoming a branded and excellent comprehensive property service provider.” Adhering to the principles of mutual respect and shared growth, the Company stimulates employee potential by safeguarding employee rights and interests, improving compensation and benefits, and smoothing career development paths. It strives to build a fair, inclusive and healthy workplace environment, growing together with its employees and laying a solid foundation for the its long-term development.

The Group upholds a diverse and inclusive employment philosophy, embeds equal opportunities throughout the entire recruitment and promotion process, actively integrates the disabled into the workplace and fosters an environment that respects differences and unlocks potential. During the reporting period, the Company formulated the Employee Diversity Policy to promote diversity in gender, age, and professional background at both the director and employee levels. By improving the compensation and benefits system that balances performance and market competitiveness, covering statutory benefits, supplementary insurance, paid leave and holiday care, the Company elevates employee rights protection from a compliance baseline to value identification, solidifying the foundation for mutual growth between the Company and its employees.

Centered on strategic development, the Company has constructed a full-cycle development path covering “onboarding, growth and promotion,” established dual management and professional career channels to provide employees with clear growth pathways. Leveraging the “Yijia Academy” platform and a tiered curriculum system, it implements differentiated empowerment for grassroots, middle and senior management to achieve targeted development. Through a series of practical training programs, we foster a virtuous cycle of enhancing employee capabilities and upgrading service quality.

The Group strictly adheres to occupational health and safety regulations and obtained ISO 45001 certification during the reporting period, integrating safety management throughout the entire process of “prevention-control-emergency response.” By establishing health records, conducting regular physical examinations, and introducing traditional Chinese medicine consultations and psychological counseling, the Company extends its care from physical health to building psychological resilience. Concurrently, the Company standardized operational procedures and hidden danger investigations, achieved zero work-related fatalities for the year and created a safe, healthy and warm workplace for its employees.

JOINING HANDS AND FORCES FOR WIN-WIN SITUATION

The Group actively fulfills its corporate social responsibilities, extensively engages in community development and public welfare initiatives. It continuously carries out charitable donations, volunteer services, and caring actions to respond to societal needs. Through concrete actions, the Company contributes to rural revitalization and community co-construction, and promoting social harmony and sustainable development.

Guided by Party building, the Company promotes the deep integration of property services into the grassroots social governance system. By establishing a discussion and consultation platform involving the community, owners, property management, and multiple stakeholders, it extends its service reach from basic property management to community relationship building and collaboration on public affairs, supporting to create a co-built, co-governed and shared harmonious community ecology. During the reporting period, the Company established strategic partnerships with leading enterprises in different industries adhering to an open cooperation philosophy and breaking through the boundaries of traditional property services. Through resource sharing and complementary advantages, it drives service innovation and capability enhancement through ecological collaboration. Furthermore, the Company focuses on areas such as rural revitalization, child development and community care. Through resource integration and employee volunteer participation, it has built a public welfare model characterized by “precise demand matching, multi-party participation, and sustained value transmission,” giving back to society through concrete actions and conveying the Company’s warmth.

The Group firmly believes that sustainable development is the foundation for its steady and long-term progress. It deeply embeds this philosophy into every aspect of its operations. Adhering to the original service intention of “Being understanding and innovative”, the Company creates value experiences that exceed customer expectations by continuously enhancing comprehensive service capabilities, and defines new industry heights with excellent quality. The Group will separately publish its 2025 Environmental, Social and Governance (ESG) Report in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the Listing Rules. The Group will publish its 2025 ESG Report on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sinooceanservice.com) simultaneously with the publication of this annual report.

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is a comprehensive property management service provider with extensive geographic coverage in the PRC. The Group's property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities). In addition to property management services, the Group provides a variety of community value-added services to property owners and residents of the properties under its management, including community asset value-added services, community living services and property brokerage services, and value-added services to non-property owners, including pre-delivery services, consultancy services and property engineering services to property developers and other property management companies. For details of the business of the Group, please refer to the Management Discussion and Analysis of this annual report.

A list of principal subsidiaries of the Company is set out in note 13 to the consolidated financial statements of this annual report. The analysis of the Group's operating segments and revenue and cost of sales and services in its major operation activities is set out in the Management Discussion and Analysis of this annual report and note 6 and note 7 to the consolidated financial statements of this annual report.

RESULTS AND APPROPRIATIONS

Results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of comprehensive income on page 95 of this annual report.

During the year under review, the Board resolved not to declare any final dividend for the financial year ended 31 December 2024 or any interim dividend for the six months ended 30 June 2025.

The Board proposed to recommend at the forthcoming AGM to be held on Thursday, 21 May 2026 for the payment of a final dividend of RMB0.0107 per Share (equivalent to HKD0.0122 per Share, rounded to the nearest four decimal places), to be paid out of the share premium account of the Company for the year ended 31 December 2025 (2024: nil). The final dividend will be paid in cash in HKD. The relevant exchange rate is the average central parity rate of RMB to HKD as announced by the People's Bank of China for the period from Wednesday, 18 March 2026 to Tuesday, 24 March 2026 (RMB1 = HKD1.1364). The final dividend is subject to the approval of the Shareholders at the AGM. The final dividend will be paid to the Shareholders (except for the holders of treasury shares, if any) whose names are standing in the register of members of the Company at the close of business on Wednesday, 27 May 2026, being the record date for determining the entitlement to the final dividend. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 27 May 2026. Currently, the Company does not hold any treasury shares.

It is expected that the cheques for dividend payment in relation to the final dividend will be despatched at the risk of those who are entitled thereto to their respective registered addresses on or around Monday, 15 June 2026.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The record date for determining the eligibility of the Shareholders (except for the holders of treasury shares, if any) to attend and vote at the AGM is Thursday, 21 May 2026. The register of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 15 May 2026.

DIVIDEND POLICY

The Company has adopted a dividend policy which sets out the basic principles and factors for considerations by the Board for the distribution of dividends. The Company strives to maintain a stable dividend payout ratio in order to enhance the Company's long-term investors' confidence in the Company's stock and strengthen the momentum of the Company's future share price. The Company intends to declare dividends twice a year in an aggregate amount of not less than 25% of the annual consolidated profit attributable to the owners of the Company.

On the premise that a stable dividend payout ratio shall be maintained, the Company is required to balance the Group's result of operations, working capital, cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which the Directors may consider relevant.

In addition, any declaration and payment as well as the amount of the dividends will be subject to (i) the provisions of the Articles which provide that the Company may declare dividends at a general meeting but no dividend shall be declared in excess of the amount recommended by the Board; and (ii) Cayman Islands Companies Act which permits dividends to be paid out of the profits of a company or subject to satisfaction of the solvency test prescribed by the Cayman Islands Companies Act, out of sums standing to the credit of its share premium account. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

RESERVES

Movements in the reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity and note 28, note 29 and note 37(a) to the consolidated financial statements of this annual report.

DISTRIBUTABLE RESERVES

The Company's total distributable reserves as at 31 December 2025 amounted to RMB500 million.

SHARE CAPITAL

There was no movement in the share capital of the Company during the year ended 31 December 2025. Details of the Company's share capital are set out in note 27 to the consolidated financial statements of this annual report.

During the year ended (and as at) 31 December 2025 and up to the date of this report, the Company did not hold any treasury shares.

FIXED ASSETS

Movements in the Group's fixed assets are set out in note 18 to the consolidated financial statements of this annual report.

BORROWINGS

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

DONATIONS

For the year ended 31 December 2025, the Group's donations for charity and other purposes amounted to approximately RMB664,359.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are set out in the Chairman's Statement and the sections headed "BUSINESS REVIEW" and "FUTURE DEVELOPMENT PLANS AND OUTLOOK" under the Management Discussion and Analysis of this annual report respectively. The description of principal risks and uncertainties that the Group may be facing are set out in the section headed "2025 MARKET REVIEW" under the Chairman's Statement and note 4 to the consolidated financial statements of this annual report. Particulars of the important event affecting the Group that occurred after the year ended 31 December 2025 are set out in the section headed "Important event after the period" under the Management Discussion and Analysis of this annual report. A discussion and analysis of the Group's performance and financial position during the year including analysis using financial key performance indicators is set out in the Financial and Operational Summary on pages 10 to 11 of this annual report and in the section headed "FINANCIAL REVIEW" under the Management Discussion and Analysis of this annual report.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is subject to the PRC laws and regulations in relation to labour, safety and environment protection matters. In addition, it has established occupational safety and sanitation systems, implemented the ISO14001 and BS-OHSAS18001 standards, and provided employees with workplace safety trainings on a regular basis to increase their awareness of work safety issues.

The Board also considers that establishing and implementing sound ESG principles and practices will help increasing the investment value of the Company and providing long-term returns to the stakeholders. To ensure the effectiveness of our ESG risk management measures and internal control systems, the Board will be responsible for overseeing the formulation and reporting of the ESG strategies and determining the ESG related risks. The Board intends to adopt the following approaches and strategies to evaluate and manage the material ESG related issues and ensure the Company's compliance with the relevant rules and regulations, including but not limited to, reviewing ESG reports of similar industry to identify the relevant ESG areas, discussing with the Company's key stakeholders on the material ESG areas identified, and discussing among our management to ensure all the material ESG areas which are important to the Group's business development are being reported and complied with.

The Board considers the protection of the environment to be important and has implemented measures in the operation of the Group's businesses to ensure its compliance with all applicable requirements. Given the nature of the Group's operations, we do not believe the Group is subject to material environmental liability risk or compliance costs.

For more details, please refer to the section headed “GREEN OPERATIONS FOR A LOW-CARBON FUTURE” under the Sustainability Report of this annual report and the 2025 ESG Report which will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinooceanservice.com) at the same time as the publication of this annual report.

STAKEHOLDER RELATIONS

Sino-Ocean Service appreciates the importance of communications and interaction with its stakeholders, who can be broadly classified into seven groups: investors, government, employees, property owners and customers, environment, business partners and community. Based on reviews of past efforts in the fulfilment of relevant responsibilities and analyses of current conditions in international and domestic developments, Sino-Ocean Service has endeavoured to achieve sustainable development in economic, social and environmental values in collaboration with these stakeholders.

The Board believes that the support of Shareholders and investors to the Group is essential. The Group adheres to the best practice in information disclosure in terms of accuracy, transparency and consistency all the time. The Group is committed to maintaining highly honest, sincere and effective communication with financial community and other stakeholders. The Group makes proactive communication with investors through results announcement press conferences and roadshows. The Group also attends investors’ conferences and communicates with investors constantly to foster two-way communication between the Company and its investors. After each general meeting, the management reserved time for individual Shareholders to voice their opinions and concerns, ensuring all Shareholders present were given opportunity to discuss the key issues with our representatives. For further information, please refer to the Investor Relations Report of this annual report.

An enterprise should form initiatives in support of national policies as a means to respond to government expectations and demands. Over the years, Sino-Ocean Service closely followed national policies while showing a persistent concern and support for people’s livelihood. The Group has never ceased to develop projects for its market segment. Meanwhile, the Group has exerted the strength of a property management company in public management, and strived to improve people’s living standard and integrate into community governance.

The awards and recognitions we received in 2025 included the “2025 Top100 Property Management Companies in China (Ranked 12th)”, “2025 Quality Leading Companies of China in Property Service” issued by the China Index Academy. We were also awarded the “2025 Top 100 Brand Influential Property Management Companies in China” issued by China Property Management Think Tank, as well as the “2025 Excellence in Service Capability of Property Enterprises” and “2025 Superior Performance in Property Service Enterprises” issued by Guandian Index Academy.

On the employees front, please refer to the section headed “ESTABLISHING FOUNDATION VIA TALENTS AND UNITING FOR COMMON GROWTH” under the Sustainability Report of this annual report.

At Sino-Ocean Service, we treasure our property owners and customers as one of our most important groups of stakeholders and attend to their needs by promoting healthy lifestyles, quality life, amicable neighbor relations and civilized community atmosphere. For more details, please refer to the section headed “2025 RESULTS” under the Chairman’s Statement and the section headed “BUILDING WARM COMMUNITIES WITH INGENIOUS SERVICES” under the Sustainability Report of this annual report.

On the environmental front, please refer to the section headed “ENVIRONMENTAL POLICY AND PERFORMANCE” above and the section headed “GREEN OPERATIONS FOR A LOW-CARBON FUTURE” under the Sustainability Report of this annual report.

The Group commits to mutual growth and benefit with its business partners and drives them in sustainable development and fulfillment of social responsibility. Sino-Ocean Service has business partners across the nation. The Group gives priority to local suppliers based on the locations of relevant projects and engages in regular discussion with business partners. Strategic suppliers are assessed and classified (based on the results of the assessment) on a semi-annual basis, while feedback on cooperation in strategic procurement is collected every other two months to ensure timely understanding of the partners' businesses and developments. In 2019, Sino-Ocean Group Company officially issued the Sino-Ocean Group Supplier Code of Conduct. As a member of Sino-Ocean Group, Sino-Ocean Service strictly adhered to the Sino-Ocean Group Supplier Code of Conduct to ensure that the suppliers of Sino-Ocean Service share the Group's views on accountability. In the meantime, Sino-Ocean Service has also shared the idea of "micro-charity, co-participation and co-sustainability" with its partners. Under the proposition of "shared benefits", an increasing number of them have joined hands with Sino-Ocean Service to create a better world.

Our corporate social responsibility is performed and completed primarily through "Sino-Ocean Charity Foundation", which is funded by Sino-Ocean Group and serves as the hub for a network of charitable resources with special emphasis on education support. Its specialised platform has effectively integrated the resources of Sino-Ocean Service and provided the most professional and compliant channel for the charitable donations and public welfare cooperations between the members of Sino-Ocean Group and their partners.

Please refer to the 2025 ESG Report for further details.

COMPLIANCE WITH LAWS AND REGULATIONS

With the rapid development of the property management industry in China, the regulatory framework of the property management industry is becoming increasingly well developed and mature. Property service enterprises shall comply with the applicable laws and regulations of the PRC in all aspects of their business activities, including the establishment of property management enterprises, the selection of property service enterprises, property management operations (including security, cleaning, greening, gardening and repair and maintenance services, etc.), labour, environmental protection and foreign exchange control, and shall be bound by laws and regulations at different levels. The Group recognises the importance of conducting business activities in accordance with applicable laws and regulations, and non-compliance in any of the above aspects may result in serious risks and consequences. The Group has reasonably allocated its financial and human resources (especially the construction of the compliance and risk control team) to ensure continuous compliance with various laws, regulations and policy requirements, and has maintained good working relationships with government regulatory agencies through effective communication. The Group strictly complies with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Waste, the Energy Conservation Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China and other applicable laws and regulations. During the year under review, to the best of our knowledge, there were no material breaches of or non-compliance with applicable laws and regulations in Mainland China and Hong Kong by the Group that had a significant impact on the business and operations of the Group.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 68 to 88 of this annual report.

REMUNERATION POLICY AND RETIREMENT BENEFITS OF THE GROUP

A reasonable and comprehensive remuneration package is one of the measures in attracting, retaining and motivating experienced people of high calibre. The Group's remuneration policy has been determined by reference to, including but not limited to, the corporate business performance, the efficiency and accomplishments of the staff, and the remuneration level of the same industry in the market.

Details of the Group's retirement benefit plans are set out in note 11 to the consolidated financial statements of this annual report.

BASIS OF DETERMINING REMUNERATION TO DIRECTORS

The Group's remuneration policy is also applicable to the Directors. The Board determines the remuneration and compensation packages of the Directors and senior management of the Company by receiving recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment, responsibilities and performance of the Directors and senior management of the Company and performance of the Group. No Director is involved in deciding his/her own remuneration.

FIVE-YEAR FINANCIAL SUMMARY

A five-year financial summary of the Group is set out on page 162 of this annual report.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the sale of treasury shares, if any) of the Company during the year ended 31 December 2025.

DIRECTORS

The table below sets out certain information on the members of the Board during the year under review and up to the date of this annual report:

Name	Position
Mr. YANG Deyong	Joint Chairman and Executive Director ^{(Note (i))}
Mr. HOU Min	Chief Executive Officer and Executive Director ^{(Note (i))}
Ms. ZHU Geying	Executive Director and Chief Financial Officer
Mr. CUI Hongjie	Joint Chairman and Non-executive Director
Mr. ZHAI Senlin	Non-executive Director (appointed on 22 April 2025)
Dr. GUO Jie	Independent Non-executive Director
Mr. HO Chi Kin Sammy	Independent Non-executive Director
Mr. LEUNG Wai Hung	Independent Non-executive Director

Note:

- (i) Mr. HOU Min was appointed as the vice chairman of the Board and a Non-executive Director with effect from 16 April 2024, and has been re-designated as the Chief Executive Officer and an Executive Director with effect from 24 March 2025, following which, (1) Mr. HOU Min no longer serves as the vice chairman of the Board; and (2) Mr. YANG Deyong remains as the Joint Chairman and an Executive Director while ceasing to serve as the Chief Executive Officer.

Brief biographical details of the Directors as of the date of this annual report are set out on pages 38 to 40 of this annual report.

DIRECTORS' SERVICE CONTRACTS

The term of service as a Director is subject to retirement by rotation and re-election in accordance with the provisions of the Articles. Each of the Non-executive Directors and the Independent Non-executive Directors has entered into a letter of appointment with the Company for a term of one year which is renewable and subject to retirement by rotation and re-election in accordance with the provisions of the Articles.

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the Group within one year without the payment of compensation other than statutory compensation.

PERMITTED INDEMNITY

The Articles provides that each Director shall be entitled to be indemnified out of the assets and profits of the Company against any action, loss or damage which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors' and officers' liability insurance in respect of relevant legal actions against the Directors and officers of the Group which was in force during the year and up to the date of this annual report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "CONNECTED TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS" in this report, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which any Director or any entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year under review.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "CONNECTED TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS" in this report, no contract of significance (whether for the provision of services to the Group or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and any of the controlling Shareholders or their subsidiaries was the other party subsisted at the end of the financial year or at any time during the financial year under review.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year under review was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

EQUITY-LINKED AGREEMENTS

No equity-linked agreement was entered into by the Company during the financial year or subsisted at the end of the financial year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in the shares of the associated corporation of the Company

Name of Directors	Name of associated corporation	Capacity/nature of interests	No. of ordinary shares of associated corporation held	Approximate percentage of total issued share capital of associated corporation (Note)
Mr. YANG Deyong	Sino-Ocean Group Company	Beneficial owner	118,777	0.0010%
Ms. ZHU Geying	Sino-Ocean Group Company	Beneficial owner	38,531	0.0003%
Mr. CUI Hongjie	Sino-Ocean Group Company	Beneficial owner	369,571	0.0031%

Note:

Calculated based on Sino-Ocean Group Company's total number of issued ordinary shares of 11,819,836,942 as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors nor the chief executive of the Company had any interest or short position in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 352 of the SFO or which were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors were aware, as at 31 December 2025, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Capacity/nature of interests	Long/ short position	No. of Shares held	Approximate percentage of the Company's total issued share capital (Note (iii))
Sino-Ocean Group Company	Interest of controlled corporation (Note (i))	Long position	755,600,000	63.82%
Shine Wind	Beneficial owner (Note (ii))	Long position	755,600,000	63.82%

Notes:

- (i) Shine Wind is a wholly-owned subsidiary of Sino-Ocean Group Company and therefore, Sino-Ocean Group Company was deemed to be interested in the Shares held by Shine Wind.
- (ii) On 27 March 2025, Shine Wind, as chargor, entered into a charge over 605,600,000 Shares, representing approximately 51.15% of the Company's total number of issued Shares as at 31 December 2025, in favour of GLAS Trust Corporation Limited, as collateral agent, as part of the restructuring of the relevant offshore indebtedness of Sino-Ocean Group Company which took effect on 27 March 2025.
- (iii) Calculated based on the Company's total number of issued Shares of 1,184,000,000 as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DEED OF NON-COMPETITION

On 30 November 2020, the controlling Shareholders entered into the Deed of Non-competition in favor of the Company (for itself and as trustee for each member of the Group), pursuant to which each of the controlling Shareholders undertakes that it shall not, and shall use its best endeavors to procure that its close associates (excluding the Group) shall not, solely or jointly or through representation of any person, enterprise or company, carry on, engage in or make any investment, whether for profit, reward or otherwise in the Group's principal business, namely, the provision of property management services, community value-added services and value-added services to non-property owners.

For details regarding the Deed of Non-competition, please refer to the paragraphs headed "NON-COMPETITION UNDERTAKING" in the section of "RELATIONSHIP WITH CONTROLLING SHAREHOLDERS" in the Prospectus.

The Company and the Independent Non-executive Directors had received an annual written confirmation from each of the controlling Shareholders that it has not breached the terms of the Deed of Non-competition during the year under review. The Independent Non-executive Directors had also carried out an annual review on the compliance of the Deed of Non-competition and were satisfied that the controlling Shareholders had duly complied with the Deed of Non-competition during the year under review.

COMPETING INTERESTS

None of the Directors has interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts with any Director or any person engaged in the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate sales and purchases attributable to the Group's five largest customers and suppliers were approximately 6.69% of the Group's total revenue and approximately 12.10% of the Group's total purchase respectively.

For the year ended 31 December 2025, the aggregate sales attributable to the Group's largest customer was approximately 3.04% of the Group's total revenue.

For the year ended 31 December 2025, the aggregate purchases attributable to the Group's largest supplier was approximately 5.85% of the Group's total purchase.

Apart from Sino-Ocean Group Company and its subsidiaries, during the year ended 31 December 2025, as far as the Directors are aware, neither the Directors, their close associates, nor the Shareholders (which to the knowledge of the Directors own more than 5% of the number of issued shares (excluding treasury shares) of the Company) had any interest in the five largest customers and suppliers of the Group.

CONNECTED TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Sino-Ocean Group Company through its wholly-owned subsidiary, Shine Wind, is a controlling Shareholder for the purpose of the Listing Rules. Accordingly, Sino-Ocean Group Company and its associates (as defined under Chapter 14A of the Listing Rules) (excluding the Group) (i.e. the Sino-Ocean Connected Persons) are connected persons of the Company by virtue of Rule 14A.07 of the Listing Rules and the transactions below conducted between the Group and the Sino-Ocean Connected Persons constituted connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors was in any way materially interested in such transactions. Nevertheless, Mr. CUI Hongjie, Mr. HOU Min, Mr. ZHAI Senlin and/or Mr. ZHU Xiaoxing, each a Director at the relevant time, had abstained from voting on the Board resolutions approving the relevant transactions by virtue of their directorship and/or senior positions in Sino-Ocean Group Company and/or its associates (other than the Group).

Connected transaction

During the year under review, the Group had conducted the following connected transaction, details of which are disclosed below in compliance with the requirements of Chapter 14A of the Listing Rules:

Transaction with Sino-Ocean Group

The Company (on behalf of each relevant member of the Group) and Sino-Ocean Group Company (on behalf of each relevant member of Sino-Ocean Group) entered into a framework agreement on 16 July 2025 and a supplemental agreement to such framework agreement on 10 October 2025 in relation to the return of certain assets by the Group to Sino-Ocean Group (the "Return"). The assets to be returned comprise 2,418 parking spaces located in the PRC (the "Target Assets"), which form part of the assets transferred by Sino-Ocean Group to the Group pursuant to the parking spaces transfer framework agreement and the commercial properties transfer framework agreement both dated 21 July 2023 (collectively, the "Original Assets Transfer Framework Agreements") in relation to the acquisition by the relevant members of the Group of certain parking spaces and commercial properties from the relevant members of Sino-Ocean Group. The Return will be effected by way of cancellation of the transfer of the Target Assets pursuant to the Original Assets Transfer Framework Agreements, and the original transfer price of RMB312,400,500 for the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by a guaranteed loan (of a repayment term of up to ten years with an interest rate of 2.00% per annum, the "Guaranteed Loan") to be granted by the Company or its designated wholly-owned subsidiary (as lender) to a designated wholly-owned subsidiary of Sino-Ocean Group Company (as borrower), with Sino-Ocean Group Company acting as the guarantor for the loan.

Upon completion of the Return and the settlement of the amount in the sum of RMB312,400,500 payable by Sino-Ocean Group to the Group as a result of the Return by the Guaranteed Loan (the "Transaction"), the Group will cease to have any interests in the Target Assets. The Group and Sino-Ocean Group are in the process of completing the Transaction. The Transaction has not been completed as of the date of this report.

Details of the Transaction have been disclosed in the announcement of the Company dated 16 July 2025 and the circular of the Company dated 15 October 2025.

Continuing connected transactions

During the year under review, the Group had conducted the following continuing connected transactions that were not fully exempt under Chapter 14A of the Listing Rules, details of which are disclosed below in compliance with the requirements of Chapter 14A of the Listing Rules:

Partially exempt continuing connected transactions

1. Master operational support services agreement

On 11 November 2022, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into an agreement (the “2023–2025 Master Operational Support Services Agreement”), pursuant to which the Group shall purchase from the Sino-Ocean Connected Persons (i) certain operational support services such as engineering and construction services, decoration services, staff secondment and other supporting services and (ii) certain technology support services, including supply of information technology systems and construction and/or maintenance services of systems, to support its business operations. The 2023–2025 Master Operational Support Services Agreement was for a fixed term commencing from 1 January 2023 and expiring on 31 December 2025, and could be terminated during its term by a party by giving the other party a 30-day prior written notice.

The fees of the operational support services payable by the Group to the Sino-Ocean Connected Persons under the 2023–2025 Master Operational Support Services Agreement shall be determined on arm’s length basis with reference to (i) the cost paid by the Sino-Ocean Connected Persons to their independent suppliers and/or their labour costs based on relevant man hours; (ii) where available, the prevailing market prices charged by the Sino-Ocean Connected Persons to other customers for the same or similar services; or (iii) where available, the prevailing market prices charged by third party service providers for the same or similar services in the market. The Group would, where applicable, request the relevant Sino-Ocean Connected Person to provide the Group with the terms of contemporaneous transactions between the relevant Sino-Ocean Connected Person and its independent customers for the same or similar services, in order to ensure that the fees charged by the relevant Sino-Ocean Connected Person to the Group were fair and reasonable to the Group.

The annual caps in respect of the transactions contemplated under the 2023–2025 Master Operational Support Services Agreement were as follows:

	Annual caps (RMB’000)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
Purchase amount	80,000	81,000	82,000

For the year ended 31 December 2025, the transaction amount of the above transaction was RMB30,451,732 which did not exceed its annual cap.

Details of the continuing connected transactions contemplated under the 2023–2025 Master Operational Support Services Agreement have been disclosed in the announcement of the Company dated 11 November 2022.

As the 2023–2025 Master Operational Support Services Agreement was due to expire on 31 December 2025, on 9 December 2025, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into a new framework agreement (the “2026–2028 Master Operational Support Services Agreement”) to renew the continuing connected transactions contemplated under the 2023–2025 Master Operational Support Services Agreement with a term of three years commencing from 1 January 2026 or the date of the approval by the independent Shareholders at the EGM, whichever is later, and ending on 31 December 2028. The 2026–2028 Master Operational Support Services Agreement may be terminated during its term by a party by giving the other party a 30-day prior written notice. The proposed annual caps for the transactions contemplated under the 2026–2028 Master Operational Support Services Agreement for each of the three years ending 31 December 2028 are RMB66.0 million, RMB66.0 million and RMB67.0 million, respectively. The 2026–2028 Master Operational Support Services Agreement and the transactions as contemplated thereunder (including the annual caps) were approved by the independent Shareholders at the EGM held on 30 January 2026. Details of the continuing connected transactions contemplated under the 2026–2028 Master Operational Support Services Agreement have been disclosed in the announcement of the Company dated 9 December 2025 and the circular of the Company dated 14 January 2026.

2. Master properties leasing agreement

On 11 November 2022, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into an agreement (the “2023–2025 Master Properties Leasing Agreement”), pursuant to which the Group shall rent from the Sino-Ocean Connected Persons (i) properties for self-use/operation (e.g. as office) and (ii) properties/car parking spaces for sub-leasing to its independent customers, such transactions are exempt from recognition as right-of-use assets under HKFRS 16. The 2023–2025 Master Properties Leasing Agreement was for a fixed term commencing from 1 January 2023 and expiring on 31 December 2025, and could be terminated during its term by a party by giving the other party a 30-day prior written notice.

The rent payable by the Group to the Sino-Ocean Connected Persons under the 2023–2025 Master Properties Leasing Agreement shall be determined on arm’s length basis with reference to (i) in respect of properties for the Group’s self-use/operation, the prevailing market rent of similar properties in the vicinity; and (ii) in respect of properties/car parking spaces for sub-leasing to the Group’s independent customers, the prevailing market rent of similar properties/car parking spaces in similar locations with a discount thereon as agreed on arm’s length basis by taking into account the expected costs (including, among others, labour costs, administrative costs and maintenance costs) of the Group in relation to the sub-leasing of the relevant properties/car parking spaces to its independent customers.

The annual caps in respect of the transactions contemplated under the 2023–2025 Master Properties Leasing Agreement were as follows:

	Annual caps (RMB’000)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
Rent	42,000	42,000	42,000

For the year ended 31 December 2025, the transaction amount of the above transaction was RMB16,562,627 which did not exceed its annual cap.

Details of the continuing connected transactions contemplated under the 2023–2025 Master Properties Leasing Agreement have been disclosed in the announcement of the Company dated 11 November 2022.

As the 2023–2025 Master Properties Leasing Agreement was due to expire on 31 December 2025, on 9 December 2025, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into a new framework agreement (the “2026–2028 Master Properties Leasing Agreement”) to renew the continuing connected transactions contemplated under the 2023–2025 Master Properties Leasing Agreement with a term of three years commencing from 1 January 2026 and ending on 31 December 2028. The 2026–2028 Master Properties Leasing Agreement may be terminated during its term by a party by giving the other party a 30-day prior written notice. The proposed annual caps for the transactions contemplated under the 2026–2028 Master Properties Leasing Agreement for each of the three years ending 31 December 2028 are RMB23.0 million, RMB23.0 million and RMB23.0 million, respectively. Details of the continuing connected transactions contemplated under the 2026–2028 Master Properties Leasing Agreement have been disclosed in the announcement of the Company dated 9 December 2025 and the circular of the Company dated 14 January 2026.

Non-exempt continuing connected transactions

3. Master property management services agreement

On 11 November 2022 and 10 January 2023, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into an agreement and a supplemental agreement (collectively, the “2023–2025 Master Property Management Services Agreement”), respectively, pursuant to which the Group shall provide property management services, such as security, cleaning, greening, gardening and repair and maintenance services, to the Sino-Ocean Connected Persons in respect of (i) property units developed for sale by the Sino-Ocean Connected Persons which have been completed and are either unsold or sold but not yet delivered to the buyers of such property units; and (ii) commercial properties (including shopping malls, office buildings and carpark spaces) owned, used or operated by the Sino-Ocean Connected Persons. The 2023–2025 Master Property Management Services Agreement was for a fixed term commencing from 31 January 2023, the date of the approval by the independent Shareholders at the EGM, and expiring on 31 December 2025, and could be terminated during its term by a party by giving the other party a 30-day prior written notice.

The fees payable by the Sino-Ocean Connected Persons to the Group under the 2023–2025 Master Property Management Services Agreement shall be determined on arm’s length basis with reference to (i) the nature, size and location of the relevant properties; (ii) the scope of the property management services; (iii) the Group’s expected operational costs (including, among others, labour costs, material costs and administrative costs) in relation to the provision of the property management services; and (iv) the fees charged by other property management service providers for similar services in respect of similar types of properties in the market. The fees charged by the Group to the Sino-Ocean Connected Persons shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by the Group to the Sino-Ocean Connected Persons shall not be less favorable to the Group than terms offered by the Group to its independent customers for the same or similar type and scope of property management services.

The Group usually issues a monthly, quarterly or annually payment notice to the Sino-Ocean Connected Persons, depending on the location of the properties, for the services rendered under the 2023–2025 Master Property Management Services Agreement, and the Sino-Ocean Connected Persons shall pay the Group upon the receipt of the payment notice.

The annual caps in respect of the transactions contemplated under the 2023–2025 Master Property Management Services Agreement were as follows:

	Annual caps (RMB'000)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
Services amount	365,000	435,000	540,000

For the year ended 31 December 2025, the transaction amount of the above transaction was RMB57,411,612 which did not exceed its annual cap.

Details of the continuing connected transactions contemplated under the 2023–2025 Master Property Management Services Agreement have been disclosed in the announcement of the Company dated 11 November 2022 and the circular of the Company dated 13 January 2023.

As the 2023–2025 Master Property Management Services Agreement was due to expire on 31 December 2025, on 9 December 2025, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into a new framework agreement (the “2026–2028 Master Property Management Services Agreement”) to renew the continuing connected transactions contemplated under the 2023–2025 Master Property Management Services Agreement with a term of three years commencing from 1 January 2026 or the date of the approval by the independent Shareholders at the EGM, whichever is later, and ending on 31 December 2028. The 2026–2028 Master Property Management Services Agreement may be terminated during its term by a party by giving the other party a 30-day prior written notice. The proposed annual caps for the transactions contemplated under the 2026–2028 Master Property Management Services Agreement for each of the three years ending 31 December 2028 are RMB100.0 million, RMB80.0 million and RMB75.0 million, respectively. The 2026–2028 Master Property Management Services Agreement and the transactions as contemplated thereunder (including the annual caps) were approved by the independent Shareholders at the EGM held on 30 January 2026. Details of the continuing connected transactions contemplated under the 2026–2028 Master Property Management Services Agreement have been disclosed in the announcement of the Company dated 9 December 2025 and the circular of the Company dated 14 January 2026.

4. Master pre-delivery services agreement

On 11 November 2022 and 10 January 2023, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into an agreement and a supplemental agreement (collectively, the “2023–2025 Master Pre-delivery Services Agreement”), respectively, pursuant to which the Group shall provide pre-delivery services, such as on-site cleaning, security inspection, repair and maintenance, parking management and other customer related services, to the Sino-Ocean Connected Persons at their property sales venues and display units. The 2023–2025 Master Pre-delivery Services Agreement was for a fixed term commencing from 31 January 2023, the date of the approval by the independent Shareholders at the EGM, and expiring on 31 December 2025, and could be terminated during its term by a party by giving the other party a 30-day prior written notice.

The fees payable by the Sino-Ocean Connected Persons to the Group under the 2023–2025 Master Pre-delivery Services Agreement shall be determined on arm’s length basis with reference to (i) the scope of the pre-delivery services; (ii) the Group’s expected operational costs (including, among others, labour costs, material costs and administrative costs) in relation to the provision of the pre-delivery services; and (iii) the fees charged by other pre-delivery service providers for similar services in the market. The terms offered by the Group to the Sino-Ocean Connected Persons shall not be less favorable to the Group than terms offered by the Group to its independent customers for the same or similar type and scope of pre-delivery services.

The Group typically issues a monthly payment notice to the Sino-Ocean Connected Persons for the services rendered under the 2023–2025 Master Pre-delivery Services Agreement, and the Sino-Ocean Connected Persons shall pay the Group within 60 days following the date of the payment notice.

The annual caps in respect of the transactions contemplated under the 2023–2025 Master Pre-delivery Services Agreement were as follows:

	Annual caps (RMB'000)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
Services amount	250,000	276,000	300,000

For the year ended 31 December 2025, the transaction amount of the above transaction was RMB40,312,769 which did not exceed its annual cap.

Details of the continuing connected transactions contemplated under the 2023–2025 Master Pre-delivery Services Agreement have been disclosed in the announcement of the Company dated 11 November 2022 and the circular of the Company dated 13 January 2023.

As the 2023–2025 Master Pre-delivery Services Agreement was due to expire on 31 December 2025, on 9 December 2025, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into a new framework agreement (the “2026–2028 Master Pre-delivery Services Agreement”) to renew the continuing connected transactions contemplated under the 2023–2025 Master Pre-delivery Services Agreement with a term of three years commencing from 1 January 2026 or the date of the approval by the independent Shareholders at the EGM, whichever is later, and ending on 31 December 2028. The 2026–2028 Master Pre-delivery Services Agreement may be terminated during its term by a party by giving the other party a 30-day prior written notice. The proposed annual caps for the transactions contemplated under the 2026–2028 Master Pre-delivery Services Agreement for each of the three years ending 31 December 2028 are RMB40.0 million, RMB32.0 million and RMB17.0 million, respectively. The 2026–2028 Master Pre-delivery Services Agreement and the transactions as contemplated thereunder (including the annual caps) were approved by the independent Shareholders at the EGM held on 30 January 2026. Details of the continuing connected transactions contemplated under the 2026–2028 Master Pre-delivery Services Agreement have been disclosed in the announcement of the Company dated 9 December 2025 and the circular of the Company dated 14 January 2026.

5. Master consultancy and other value-added services agreement

On 11 November 2022 and 10 January 2023, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into an agreement and a supplemental agreement (collectively, the “2023–2025 Master Consultancy and Other Value-added Services Agreement”), respectively, pursuant to which the Group shall provide the Sino-Ocean Connected Persons with consultancy and other value-added services, which mainly include (i) consultancy services, such as advisory services on overall project design, planning and coordination of pre-sale activities and other specific areas including project cleaning and security; (ii) property engineering and repair and maintenance services; and (iii) property sales agency services (including the exclusive parking space sales agency services). The 2023–2025 Master Consultancy and Other Value-added Services Agreement was for a fixed term commencing from 31 January 2023, the date of the approval by the independent Shareholders at the EGM, and expiring on 31 December 2025, and could be terminated during its term by a party by giving the other party a 30-day prior written notice.

The fees payable by the Sino-Ocean Connected Persons to the Group under the 2023–2025 Master Consultancy and Other Value-added Services Agreement shall be determined on arm's length basis with reference to (i) where applicable, the fees charged by the Group to its independent customers for the same or similar type and scope of value-added services; or (ii) where the Group has not provided the same or similar type and scope of value-added services to its independent customers, the Group's expected costs (including, among others, labour costs, material costs and administrative costs) of providing the relevant services plus a profit margin of not less than 10%. The terms offered by the Group to the Sino-Ocean Connected Persons shall not be less favorable to the Group than terms offered by the Group to its independent customers for the same or similar type and scope of value-added services, where applicable.

The Group usually issues a monthly payment notice to the Sino-Ocean Connected Persons for the services rendered under the 2023–2025 Master Consultancy and Other Value-added Services Agreement, and the Sino-Ocean Connected Persons shall pay the Group within 60 days following the date of the payment notice.

The annual caps in respect of the transactions contemplated under the 2023–2025 Master Consultancy and Other Value-added Services Agreement were as follows:

	Annual caps (RMB'000)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
Services amount	592,000	682,000	813,000

For the year ended 31 December 2025, the transaction amount of the above transaction was RMB54,685,999 which did not exceed its annual cap.

Details of the continuing connected transactions contemplated under the 2023–2025 Master Consultancy and Other Value-added Services Agreement have been disclosed in the announcement of the Company dated 11 November 2022 and the circular of the Company dated 13 January 2023.

As the 2023–2025 Master Consultancy and Other Value-added Services Agreement was due to expire on 31 December 2025, on 9 December 2025, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into a new framework agreement (the "2026–2028 Master Consultancy and Other Value-added Services Agreement") to renew the continuing connected transactions contemplated under the 2023–2025 Master Consultancy and Other Value-added Services Agreement with a term of three years commencing from 1 January 2026 or the date of the approval by the independent Shareholders at the EGM, whichever is later, and ending on 31 December 2028. The 2026–2028 Master Consultancy and Other Value-added Services Agreement may be terminated during its term by a party by giving the other party a 30-day prior written notice. The proposed annual caps for the transactions contemplated under the 2026–2028 Master Consultancy and Other Value-added Services Agreement for each of the three years ending 31 December 2028 are RMB101.0 million, RMB103.0 million and RMB126.0 million, respectively. The 2026–2028 Master Consultancy and Other Value-added Services Agreement and the transactions as contemplated thereunder (including the annual caps) were approved by the independent Shareholders at the EGM held on 30 January 2026. Details of the continuing connected transactions contemplated under the 2026–2028 Master Consultancy and Other Value-added Services Agreement have been disclosed in the announcement of the Company dated 9 December 2025 and the circular of the Company dated 14 January 2026.

6. Exclusive parking space sales agency services framework agreement

On 14 October 2022 and 10 January 2023, the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) entered into an agreement and a supplemental agreement (collectively, the “2023–2025 Exclusive Parking Space Sales Agency Services Framework Agreement”), respectively, pursuant to which Sino-Ocean Group Company (on behalf of each Sino-Ocean Connected Person) had agreed to grant the exclusive sales rights to the Group and the Company (on behalf of each member of the Group) had agreed to provide exclusive sales agency services with respect to the target parking spaces to the Sino-Ocean Connected Persons. The 2023–2025 Exclusive Parking Space Sales Agency Services Framework Agreement was for a fixed term commencing from 31 January 2023, the date of the approval by the independent Shareholders at the EGM, and expiring on 31 December 2025. The Company has not entered into any new framework agreement to renew the transactions contemplated under the 2023–2025 Exclusive Parking Space Sales Agency Services Framework Agreement which expired on 31 December 2025.

Pursuant to the 2023–2025 Exclusive Parking Space Sales Agency Services Framework Agreement, to obtain the exclusive sales rights in respect of the target parking spaces, the Group shall from time to time pay the Sino-Ocean Connected Persons fully refundable deposits according to the payment schedule as determined and agreed between the Group and the relevant Sino-Ocean Connected Persons under specific agreements, and the Group shall charge the difference between (i) the actual sales price as paid by a third party purchaser and (ii) the corresponding base price for the relevant target parking space as fees for providing exclusive sales agency services with respect to the relevant target parking space. The amount of deposit payable for the obtaining of the exclusive sales right in respect of a target parking space shall not exceed 50% of the base price thereof. The base price in respect of a target parking space (being the minimum price for the sale of such target parking space as agreed by the Group and the relevant Sino-Ocean Connected Person) shall be determined after arm’s length negotiation by the parties taking into consideration factors including but not limited to the average price of comparable parking spaces in the surrounding markets of such target parking space, and the location, occupancy rate, parking space ratio and sale progress of the relevant project, and the base price in respect of a target parking space shall not exceed 80% of the average price (determined with reference to the recent historical transaction prices, and/or the quoted selling prices (obtained through public websites such as Anjuke (安居客), Lianjia (鏈家) and 58 Tongcheng (58同城)) of at least three parking spaces) of comparable parking spaces in the surrounding markets (being parking spaces situated in surrounding areas of similar levels of commercial prosperity, residential project positioning, per capita income, traffic conditions and infrastructure (where applicable)) thereof.

The annual cap in respect of the balance of deposits to be paid under the 2023–2025 Exclusive Parking Space Sales Agency Services Framework Agreement at any time during each of the three years ended 31 December 2025 was as follows:

	Annual caps (RMB'000)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
Deposits	450,000	450,000	450,000

As at 31 December 2025, the balance of deposits paid under the above transaction was RMB418,547,084. The balance of paid deposits did not exceed its annual cap at any time during the year ended 31 December 2025.

The provision of sales agency services under the 2023–2025 Exclusive Parking Space Sales Agency Services Framework Agreement shall form part of the continuing connected transactions pursuant to the 2023–2025 Master Consultancy and Other Value-added Services Agreement, and the sales agency service fees payable by the Sino-Ocean Connected Persons to the Group shall be subject to the relevant annual caps thereunder as disclosed above.

Details of the continuing connected transactions contemplated under the 2023–2025 Exclusive Parking Space Sales Agency Services Framework Agreement have been disclosed in the announcement of the Company dated 14 October 2022 and the circular of the Company dated 13 January 2023.

Pursuant to Rule 14A.55 of the Listing Rules, all the Independent Non-executive Directors have reviewed the above continuing connected transactions conducted during the year and confirmed that such transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the auditors of the Company have provided a letter to the Board, confirming that, with respect to the above continuing connected transactions conducted during the year:

- (1) nothing has come to their attention that causes them to believe that the transactions have not been approved by the Board;
- (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) nothing has come to their attention that causes them to believe that the transactions have exceeded the relevant annual cap for the year ended 31 December 2025.

Related party transactions

A summary of significant related party transactions entered into by the Group during the year under review is contained in note 35 to the consolidated financial statements of this annual report. Save as disclosed above, none of the related party transactions described in the aforementioned note falls within the definition of “connected transaction” or “continuing connected transaction” under Chapter 14A of the Listing Rules and is subject to reporting requirement during the year under review.

The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules with respect to the connected transactions and the non-fully exempt continuing connected transactions conducted by the Group during the year under review.

CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors subsequent to the date of the interim report of the Company for the six months ended 30 June 2025 and up to the date of this annual report required to be disclosed are set out below:

- The annual salary of Mr. YANG Deyong, Mr. HOU Min and Ms. ZHU Geying were adjusted to RMB1,225,000, RMB1,065,000 and RMB830,000 per annum respectively with effect from November 2025, as approved by the Board on 25 March 2026 with the recommendation of the Remuneration Committee. Such remunerations were determined with reference to their respective performance, duties and responsibilities within the Company, the prevailing market conditions and the Company's remuneration policy. They are also entitled to a discretionary bonus to be determined by the Remuneration Committee and the Board having regard to the operating results of the Group.

SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained a sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

AUDITORS

At the request of the Board, Fan, Chan & Co. Limited resigned as the auditor of the Company for the year ended 31 December 2023 with effect from 15 June 2023. At the recommendation of the Audit Committee, the Board appointed BDO Limited as the new auditor of the Company to fill the casual vacancy following the resignation of Fan, Chan & Co. Limited with effect from 15 June 2023. Details of the aforementioned change of auditor of the Company have been disclosed in the announcement of the Company dated 15 June 2023.

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by BDO Limited, whose term of office will expire upon the conclusion of the forthcoming AGM. Ordinary resolution for re-appointment of BDO Limited as the auditor of the Company and fixing its remuneration will be proposed at the forthcoming AGM for the Shareholders' approval.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the law of the Cayman Islands, being the jurisdiction in which the Company is incorporated, under which the Company would be obliged to offer new shares on a pro-rata basis to the existing Shareholders.

CONSULTING PROFESSIONAL TAX ADVISERS

Shareholders are recommended to consult professional advisers if they are in any doubt as to the tax implications of purchasing, holding, disposing of, dealing in or the exercise of any rights in relation to the Company's shares.

By order of the Board

YANG Deyong

Joint Chairman

Hong Kong, 25 March 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company.

COMMITMENT TO CORPORATE GOVERNANCE

The Board and the management of the Group are committed to achieving and maintaining high standards of corporate governance, which they consider to be critical in safeguarding the integrity of the Company's operations and maintaining investors' trust in the Company, so as to create long-term sustainable growth for Shareholders and deliver long-term values to all stakeholders. The management of the Group also actively observes the latest corporate governance developments in Hong Kong and overseas.

Corporate culture

Corporate culture underpins the core competitiveness for a company's sustainable development and the conceptual foundation with which it wins the support of the public. The Board is responsible for formulating the Company's objectives, values and strategies and ensuring these align with its corporate culture. The Company upholds a corporate culture founded on the bedrock of probity and compliance, in adherence to which it maintains high standards in corporate governance and enhances the organisation values of acting lawfully, ethically and responsibly on an ongoing basis. It is also committed to becoming a people-centric enterprise with an emphasis on fostering a positive cultural ambience. At the same time, the Board and the Nomination Committee take into full consideration the backgrounds of candidates when selecting them for appointment to the Board, while various systems have been established in connection with the Directors and the management, such as rules governing conflict of interests, to ensure impartiality and integrity of the Directors in their conduct of business, such that they could lead by example in promoting the desired culture. To ensure the propagation of the corporate culture across the Group at all levels and consistent reflection of such culture in the conduct of its business, Sino-Ocean Service has continued to improve its corporate culture development and management system, including comprehensive systems for work advancement, inspection and appraisal and reward and punishment, in order to ensure genuine implementation of key tasks in corporate culture building in compliance with relevant rules and regulations and in a purposeful manner. Meanwhile, the Company also promotes its corporate culture through various channels, internalizing the values of "Serving Health Wholeheartedly" into service behaviors. For instance, daily morning meetings are held to share insights and understanding of these values, which are then reinforced through daily customer interactions to encourage behaviors that align with the Company's ethos. We have also enhanced commendation of the outstanding and education on the exemplary, sharing inspiring service stories to foster a positive spiritual atmosphere. We have been actively engaged in the Red Property initiative, whereby all Party sub-branches have organized Red cultural activities under the leadership of Party members in close adherence to the Party's guidance, enabling all employees to improve their professional standards and consistently explore and enhance the quality of their property services to provide high-quality services to customers. Such measures have not only enhanced the unity and solidarity of staff, but have also advanced the cultural building and development of the Company, improved customer service quality, and have facilitated the implementation of corporate strategies.

Corporate objectives and strategies

The Company's objectives, values and strategies are complementary to and in alignment with its corporate culture. Sino-Ocean Service formulates sustainable and qualitative development policies and strategies with the objective of fostering long-term sustainable growth for Shareholders and long-term value for stakeholders. In line with Sino-Ocean Service's values of "Serving Health Wholeheartedly", and guided by the brand philosophy and slogan "being understanding and innovative", Sino-Ocean Service seeks to understand customers' need in an in-depth manner to provide convenient and warm property services. From the users' perspective, the actions of Sino-Ocean Service always aim for customers' satisfaction, as we put ourselves in customers' shoes and fulfil customers' urgent needs with urgency, creating more value for customers. For a discussion and analysis of the Group's performance for the year and further details on the bases on which the Group generates long-term value and realizes its objectives, please refer to the Chairman's Statement and the section headed "BUSINESS REVIEW" under the Management Discussion and Analysis of this annual report. The Group incorporates the sustainability concept into its long-term development strategy and day-to-day operations and management to fortify the developmental foundation of compliant operations, while persisting in green operations as it consistently enhances its ability in low-carbon operation in active fulfilment of its social responsibility. For further details of the Group's sustainability practices and how they relate to its stakeholders, please refer to the Sustainability Report of this annual report and the 2025 ESG Report.

Corporate governance practices

In the opinion of the Board, the Company had applied the principles of the CG Code to its corporate governance structure and practices as described in this report and complied with all the applicable code provisions of the CG Code throughout the year ended 31 December 2025, except for the deviations as disclosed below:

The positions of the Joint Chairmen were held by Mr. YANG Deyong and Mr. CUI Hongjie during the year under review, while Mr. YANG Deyong also performed the duties of the Chief Executive Officer during the period from 1 January 2025 up to 24 March 2025. The Joint Chairmen provided leadership and guidance for the Board and ensured the effectiveness of the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company. The Joint Chairmen were also responsible for formulating the overall strategies and policies of the Company and monitoring their implementation.

The code provision C.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, during the period from 1 January 2025 up to 24 March 2025, in view of the composition of the Board, Mr. YANG Deyong's in-depth knowledge of the operations of the Group and of the industry, his extensive business network and connections in the sector and the scope of operations of the Group, the Board believed that Mr. YANG Deyong, in his dual capacity as the Joint Chairman and the Chief Executive Officer, provided a realignment of power and authority under the corporate structure and facilitated the ordinary business activities of the Company. The Board also considered that as all major decisions were made in consultation with the Board and the senior management of the Company, there was sufficient balance of power with the joint-chairmen structure.

Upon the re-designation of Mr. HOU Min as the Chief Executive Officer with effect from 24 March 2025, Mr. YANG Deyong has ceased to hold the dual roles of the Joint Chairman and the Chief Executive Officer. The roles of the Joint Chairmen and the Chief Executive Officer have then been separated.

The code provision C.6.2 of the CG Code stipulates that a board meeting should be held to discuss the appointment of the company secretary and the matter should be dealt with by a physical board meeting rather than a written resolution. The appointment of the Company Secretary on 13 December 2025 was approved by a written resolution of the Board in lieu of a physical Board meeting in accordance with the Articles. Prior to the execution of the written resolution, Board papers regarding the appointment of the Company Secretary were provided to all Directors in advance for their review and consideration. It is considered that the approval process by way of the adoption of a written resolution is an efficient and appropriate way for such appointment.

Directors' and relevant employees' securities transactions

The Company has adopted a Code of Conduct on terms no less exacting than those required standards set out in the Model Code. Following specific enquiries made by the Company with all the Directors, all the Directors have confirmed that they had complied with all the required standards set out in the Model Code and the Code of Conduct throughout the year ended 31 December 2025.

The Company has also set out a guideline no less exacting than the Model Code regarding securities transactions by the relevant employees (the "Relevant Employees") who, because of their roles and functions in the Company or its subsidiaries, are likely to be in possession of inside information. All the Relevant Employees are reminded of the necessity for compliance with the guideline regularly.

THE BOARD

Responsibilities

The Board, led by the Joint Chairmen, is responsible for achieving the corporate goals, formulating the development strategy, regularly reviewing the organizational structure, and monitoring the business activities and the performance of management so as to protect and maximize the interests of the Company and the Shareholders as a whole. Matters relating to the daily operations of the Group are delegated to the management. The delegated functions, power and work tasks are periodically reviewed to ensure that they remain appropriate. The Board will give clear directions to the management team as to their powers of management, and circumstances where the management team should report back. Approval has to be obtained from the Board prior to any decision being made or any commitments being entered into on behalf of the Group that are outside the scope of the operational authority delegated by the Board. Matters reserved for the Board include the overall strategy of the Group, major acquisitions and disposals, major capital investments, dividend policy, significant changes in accounting policies, material contracts, appointment and retirement of Directors, remuneration policy and other major operational and financial matters.

The Board is also collectively responsible for performing corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the Code of Conduct applicable to the Directors and the guideline regarding securities transactions of the Relevant Employees; and
- (e) to review the Company's compliance with the CG Code which is amended from time to time, and its disclosure in the corporate governance report.

During the year under review, the Board has considered, assessed, reviewed, approved and/or formulated, including but not limited to, the matters summarized below:

- annual budget, management results and performance update against annual budget, together with business reports from the management;
- interim results announcement and interim report for the six months ended 30 June 2025;
- final results announcement and annual report (including the corporate governance report) for the year ended 31 December 2024;
- ESG report for the year ended 31 December 2024;
- corporate governance matters, including review of the internal policies and practices of the Company and adoption of new policies;

- revision of terms of reference of the Audit Committee and the Nomination Committee;
- adoption of workforce diversity policy of the Group;
- re-designation of a Director and the Chief Executive Officer;
- changes in composition of the Audit Committee and the Nomination Committee;
- appointment of a Non-executive Director;
- change of the Company Secretary; and
- major and connected transaction and renewal of continuing connected transactions and compliance with the relevant requirements under the Listing Rules applicable to the transactions.

The valuable recommendations contributed by each Board Committee are highly respected by the Board and the Board takes proactive actions to put the recommendations in place.

Board composition

As at the date of this annual report, the Board comprised eight Directors, including three Executive Directors, Mr. YANG Deyong (Joint Chairman), Mr. HOU Min and Ms. ZHU Geying; two Non-executive Directors, Mr. CUI Hongjie (Joint Chairman) and Mr. ZHAI Senlin; and three Independent Non-executive Directors, Dr. GUO Jie, Mr. HO Chi Kin Sammy and Mr. LEUNG Wai Hung. An updated list of the Directors and their role and function is published on the websites of the Company (www.sinooceanservice.com) and the Stock Exchange (www.hkexnews.hk). Composition of the Board is also disclosed, and the Independent Non-executive Directors are identified, in all corporate communications to the Shareholders.

The members of the Board are from a broad diversity with a wide background, rich industry experience and appropriate professional qualifications. Please refer to the Directors and Senior Management of this annual report for the profiles of the Directors.

Save as disclosed in the Directors and Senior Management of this annual report, the Directors have no other financial, business, family or other material/relevant relationships with one another.

(i) Joint Chairmen and Chief Executive Officer

As disclosed in the section headed “Corporate governance practices” in this report, during the period from 1 January 2025 up to 24 March 2025, the responsibilities of the Joint Chairman and the Chief Executive Officer were vested in one person, Mr. YANG Deyong. However, as (i) all major decisions were made in consultation with the Board and the senior management of the Company; (ii) there was a wide composition of the Board which comprised three Independent Non-executive Directors and two Non-executive Directors; and (iii) the Company had established a joint-chairmen structure and appointed Mr. CUI Hongjie as a Joint Chairman, the Board considered that there was sufficient balance of power and that the arrangement maintained a strong management position and also facilitated the ordinary business activities of the Company. Upon the re-designation of Mr. HOU Min as the Chief Executive Officer with effect from 24 March 2025, Mr. YANG Deyong has ceased to hold the dual roles of the Joint Chairman and the Chief Executive Officer. The roles of the Joint Chairmen and the Chief Executive Officer have then been separated.

(ii) Non-executive Directors and Independent Non-executive Directors

The functions of the Non-executive Directors and the Independent Non-executive Directors should include:

- participating in Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- taking the lead where potential conflicts of interests arise;
- serving on the audit, remuneration and nomination committees, if invited; and
- scrutinising the Company’s performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

The Non-executive Directors and the Independent Non-executive Directors have made a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments. They give the Board and the Board Committees on which they serve the benefit of their skills, expertise, varied backgrounds and qualifications through regular attendance at and active participation in meetings.

The Company has received annual confirmations from all the Independent Non-executive Directors, namely Dr. GUO Jie, Mr. HO Chi Kin Sammy and Mr. LEUNG Wai Hung, in respect of their independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee has assessed and considered that all the Independent Non-executive Directors are independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules and free of any relationship that could materially interfere with the exercise of their independent judgements.

Pursuant to the letters of appointment, each of Mr. CUI Hongjie, Mr. HOU Min (re-designated from a Non-executive Director to an Executive Director on 24 March 2025) and Mr. ZHAI Senlin (appointed on 22 April 2025) did not receive any Director's fee from the Company as a Non-executive Director during the year under review.

Mechanisms for ensuring independent views and input

The Board recognised that board independence is critical to good corporate governance and its effectiveness. The Company has established mechanisms to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanisms is reviewed annually by the Nomination Committee:

- three out of the eight Directors are Independent Non-executive Directors, which meets the requirements of the Listing Rules that the Board must have at least three Independent Non-executive Directors and must appoint Independent Non-executive Directors representing at least one-third of the Board;
- majority members of the Board Committees are Independent Non-executive Directors;
- the Nomination Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new Independent Non-executive Director before appointment and assess the independence of the Independent Non-executive Directors and their time commitments annually;
- no equity-based remuneration with performance-related elements will be granted to the Independent Non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence;
- all Directors are encouraged to express freely their independent views and constructive challenges during the Board/ Board Committee meetings;
- a Director (including an Independent Non-executive Director) who has a material interest in a matter shall not vote or be counted in the quorum on any Board resolution approving the same;
- all Directors (including the Independent Non-executive Directors) shall be provided with regular updates giving a balanced and understandable assessment of the Group's performance, position and prospects and also supplied with adequate information to enable them to make informed decision. All Directors (including the Independent Non-executive Directors) are entitled to seek further information and documentation from the management on the matters to be discussed at Board and/or Board Committee meetings, and upon reasonable request by individual Directors, external independent professional advice in appropriate circumstances is available, at the Company's expense;
- all Directors (including Independent Non-executive Directors) have full and timely access to advice from the Company Secretary; and
- the Joint Chairmen meet with the Independent Non-executive Directors annually without the presence of other Directors.

Appointment and re-election of Directors

The Directors give sufficient time and attention to the affairs of the Company. All Directors are required to disclose to the Company at the time of their appointment and in a timely manner the number and nature of offices held in public companies or organisations and other significant commitments, and any changes thereof.

Pursuant to the letters of appointment, all Non-executive Directors and Independent Non-executive Directors are appointed for a term of one year, which is renewable and subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

Pursuant to the Articles, any Director appointed by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first AGM or any earlier general meeting of the Company after his appointment, and shall then be eligible for re-election at such meeting. Every Director, including each of the Non-executive Directors and the Independent Non-executive Directors, is subject to retirement by rotation at least once every three years. At least one-third of the Directors must retire from office at each AGM and their re-election is subject to the approval of the Shareholders.

Meetings

Code provision C.5.1 of the CG Code prescribes that at least four regular board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication. The Company has adopted the practice of holding Board meetings regularly. Additional meetings will be arranged if and when required. During the year under review, the Board convened six meetings. For the summary of work during the year, please refer to the paragraphs headed “Responsibilities” under the section headed “THE BOARD” in this report.

The attendance of each Director at the Board meetings and general meeting of the Company held during the year under review is set out in the following table:

Directors	Number of meetings attended/eligible to attend		
	Board meeting	AGM	EGM
Mr. YANG Deyong	6/6	1/1	1/1
Mr. CUI Hongjie	6/6	1/1	1/1
Mr. HOU Min	6/6	1/1	1/1
Ms. ZHU Geying	6/6	1/1	1/1
Mr. ZHAI Senlin (appointed on 22 April 2025)	5/5	1/1	0/1
Dr. GUO Jie	6/6	1/1	1/1
Mr. HO Chi Kin Sammy	6/6	1/1	1/1
Mr. LEUNG Wai Hung	6/6	1/1	1/1

Notices of regular Board meetings are given to all Directors at least 14 days before the meetings. For regular Board Committee meetings, at least 7-day notice is given. For other Board meetings and other Board Committee meetings, reasonable notice is generally given.

The agenda of Board meetings is set after consultation with a Joint Chairman. All Directors are given an opportunity to include matters in the agenda. The agenda accompanying board papers, which are prepared in a form and quality sufficient to enable the Board to make informed decisions, are given to all Directors in a timely manner. All Directors are properly briefed on issues arising from any Board meetings by a Joint Chairman.

Minutes of Board meetings and meetings of Board Committees with details of the matters considered and decisions reached are kept by the Company Secretary and are open for inspection with a reasonable notice by any Director. All Directors and members of the Board Committees are urged to attend the Board meetings and the Board Committee meetings in person. For the Directors and committee members who are unable to attend any meeting in person, participation through electronic means will be arranged.

All Directors have full and timely access to all relevant information as well as advice and services of the Company Secretary. Upon making request to the Board, all Directors may obtain independent professional advice at the Company's expense for carrying out their functions.

Where a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would only be dealt with by a Board meeting. The Independent Non-executive Directors who, and whose close associates, have no material interest in the transaction would be present at such Board meeting.

The Joint Chairmen promote a culture of openness and actively encourage Directors with different views to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's functions. The Joint Chairmen meet with the Independent Non-executive Directors at least annually without the presence of other Directors.

Training for Directors

For any newly appointed Director, he/she will be provided with an induction training so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations as a Director under the Company's policies, the Listing Rules and the relevant regulatory requirements.

In compliance with Rule 3.09D of the Listing Rules, Mr. ZHAI Senlin, who was appointed as a Non-executive Director on 22 April 2025, obtained legal advice on 14 April 2025 from a firm of solicitors qualified to advise on Hong Kong law. The advice covered, among others, (i) the requirements under the Listing Rules that are applicable to him as a Director, and (ii) the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. ZHAI Senlin has confirmed he understood his obligations as a Director.

There are also arrangements in place for providing continuing briefing and professional development to the Directors, whenever necessary, in order to ensure that they have a proper understanding of the Company's operations and business. To assist their continuous professional development, the Company Secretary recommends relevant seminars and courses for the Directors to attend from time to time. During the year under review, the Company organized training sessions for the Directors covering (1) ESG professional training, including the latest developments in climate-related information disclosure requirements; and (2) continuing obligations of listed companies and directors of a listed company, including (i) the roles, functions and responsibilities of the board of directors, the board committees and the board members, and board effectiveness; (ii) directors' duties on dealing of shares; (iii) inside information, the compliance requirements in respect of notifiable and connected transactions under the Listing Rules; (iv) disclosure requirements on corporate governance and ESG matters; (v) risk management and internal controls; and (vi) new regulatory updates on introduction to the uncertificated securities market.

All Directors also understand the importance of continuous professional development. They are committed to participating in suitable training to develop and refresh their knowledge and skills. A record of the training received by the respective Directors is kept by the Company.

During the year under review, the Directors participated in the following trainings:

Directors	Type of trainings
Mr. YANG Deyong	A, B
Mr. CUI Hongjie	A, B
Mr. HOU Min	A, B
Ms. ZHU Geying	A, B
Mr. ZHAI Senlin (appointed on 22 April 2025)	A, B
Dr. GUO Jie	A, B
Mr. HO Chi Kin Sammy	A, B
Mr. LEUNG Wai Hung	A, B

Remarks:

A: training(s) organized by the Company

B: reading professional journals and updates relating to the economy, general business, property management, corporate governance or director's duties and responsibilities etc.

Directors' and officers' liability insurance and indemnity

The Articles provides that each of the Directors and other officers of the Company is entitled to be indemnified out of the assets and profits of the Company against any action, loss or damage which he/she may sustain or incur in or about the execution of duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to any of the said persons.

The Company has arranged appropriate liability insurance to indemnify its Directors and officers for their liabilities arising out of corporate activities. During the year under review, no claim was made on the liability insurance for the Directors and the officers of the Company.

BOARD COMMITTEES

The Board has set up three Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense. All resolutions passed by the Board Committees will be reported to the Board.

The attendance of each Director at the Board Committee meetings (where applicable) during the year under review is set out in the following table:

Directors	Number of meetings attended/eligible to attend		
	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting
Mr. YANG Deyong (Note (i))	N/A	1/1	1/1
Mr. CUI Hongjie (Note (ii))	3/3	N/A	1/1
Mr. HOU Min (Note (iii))	1/1	1/1	N/A
Ms. ZHU Geying (Note (iv))	N/A	N/A	0/0
Mr. ZHAI Senlin (Note (v))	2/2	N/A	N/A
Dr. GUO Jie	3/3	1/1	1/1
Mr. HO Chi Kin Sammy	3/3	1/1	1/1
Mr. LEUNG Wai Hung	3/3	1/1	1/1

Notes:

- (i) Mr. YANG Deyong ceased to be the chairman and a member of the Nomination Committee on 30 June 2025.
- (ii) Mr. CUI Hongjie was re-designated from a member of the Nomination Committee to the chairman of the Nomination Committee on 30 June 2025.
- (iii) Mr. HOU Min ceased to be a member of the Audit Committee on 24 March 2025.
- (iv) Ms. ZHU Geying was appointed as a member of the Nomination Committee on 30 June 2025.
- (v) Mr. ZHAI Senlin was appointed as a Non-executive Director and a member of the Audit Committee on 22 April 2025.

Audit Committee

After the cessation of Mr. HOU Min as a member of the Audit Committee with effect from 24 March 2025, and the appointment of Mr. ZHAI Senlin as a member of the Audit Committee with effect from 22 April 2025, the Audit Committee consists of three Independent Non-executive Directors, namely Mr. LEUNG Wai Hung, Dr. GUO Jie and Mr. HO Chi Kin Sammy, and two Non-executive Directors, namely Mr. CUI Hongjie and Mr. ZHAI Senlin. Mr. LEUNG Wai Hung, who has professional qualification in accountancy, is the chairman of the Audit Committee. None of them is a partner or former partner in the preceding two years of the existing auditors of the Company, or has or had in the preceding two years any financial interest in the existing auditors.

The main duties of the Audit Committee are to, including but not limited to, review and supervise the financial reporting process and risk management and internal control systems of the Group, review the Group's financial information, consider the appointment, independence and remuneration of the auditors and any matters related to the removal and resignation of the auditors, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The Audit Committee held three meetings during the year under review. The Executive Directors, senior management and/or the external auditors of the Company were invited to join the discussions at the meetings, as the case may be.

The tasks performed by the Audit Committee during the year under review included but not limited to:

- (i) review of the audit plan of the external auditors and discussion with them about the nature and scope of the audit;
- (ii) review of the interim and annual consolidated financial statements;
- (iii) review of the continuing connected transactions conducted by the Group;
- (iv) discussion with the external auditors on, including but not limited to, the financial position of the Group, the audit opinion, internal control system, financial risks and the significant matters which might have an impact on the consolidated financial statements;
- (v) review of the overall financial position of the Group;
- (vi) review and discussion of the nature and extent of significant risks (including ESG risks) of the Group and assessment of the control of the risks;
- (vii) review of the adequacy and effectiveness of the risk management and internal control systems including review of accounting, financial reporting, internal audit functions, as well as those relating to the ESG performance and reporting and then giving of recommendation to the Board for any enhancement;
- (viii) review with the management of the Company the accounting policies and practices adopted by the Group;
- (ix) meeting with the external auditors in the absence of the Executive Directors and senior management of the Company to discuss issues regarding audit;
- (x) review and approval of the remuneration and terms of engagement of external auditors;
- (xi) review of the external auditors' independence and objectivity and the effectiveness of audit process according to applicable standards as well as consideration of the re-appointment of the external auditors;
- (xii) review of the engagement to perform non-audit service(s);
- (xiii) review of and recommendation on the adoption of revised terms of reference of the Audit Committee; and
- (xiv) review of the internal control policies of the Company, including the whistleblowing policy and the anti-corruption and anti-bribery policy.

Remuneration Committee

After the re-designation of Mr. HOU Min from a Non-executive Director to an Executive Director with effect from 24 March 2025, the Remuneration Committee comprises five members, being three Independent Non-executive Directors, namely Mr. HO Chi Kin Sammy, Dr. GUO Jie and Mr. LEUNG Wai Hung, and two Executive Directors, Mr. YANG Deyong and Mr. HOU Min. Mr. HO Chi Kin Sammy is the chairman of the Remuneration Committee.

The main duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management of the Company and make recommendations to the Board. The Remuneration Committee may consult with the Joint Chairmen about their remuneration proposals for other Executive Directors. The Remuneration Committee is also responsible for assessing performance of all Directors and senior management of the Company, making recommendations to the Board on the remuneration package and incentive payment of the Executive Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments, and making recommendations to the Board on the remuneration of the Non-executive Directors and the Independent Non-executive Directors. The written terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee held one meeting during the year under review. The tasks performed by the Remuneration Committee during the year under review included but not limited to:

- (i) review and approval of the report of the labour cost of the senior management of the Company for the year ended 31 December 2024;
- (ii) assessment of the performance of the Executive Directors and senior management of the Company;
- (iii) review of the remuneration policy of the Directors and senior management of the Company;
- (iv) recommendation to the Board on the remuneration packages of the Executive Directors and senior management of the Company and the Director's fees of the Non-executive Directors and the Independent Non-executive Directors for the year ended 31 December 2025, where necessary; and
- (v) recommendation to the Board on the remuneration arrangement of the Non-executive Director appointed during the year.

No material matters relating to share schemes under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the year under review.

The remuneration of Directors is determined with reference to a number of factors, including but not limited to, their experience, qualifications, duties and responsibilities involved in the Company and the prevailing market conditions. Details of emoluments of Directors for the year under review are set out in note 38 to the consolidated financial statements of this annual report. The emoluments paid to senior management of the Company during the year under review were within the following band:

	Number of senior management
Above RMB1 million and below or equal to RMB2 million	3

Nomination Committee

After (i) the re-designation of Mr. CUI Hongjie from a member of the Nomination Committee to the chairman of the Nomination Committee, (ii) the appointment of Ms. ZHU Geying as a member of the Nomination Committee, and (iii) the cessation of Mr. YANG Deyong as the chairman and a member of the Nomination Committee with effect from 30 June 2025, the Nomination Committee comprises five members, being a Non-executive Director, Mr. CUI Hongjie, an Executive Director, Ms. ZHU Geying, and three Independent Non-executive Directors, namely Dr. GUO Jie, Mr. HO Chi Kin Sammy and Mr. LEUNG Wai Hung. Mr. CUI Hongjie, being a Joint Chairman, is the chairman of the Nomination Committee.

The main duties of the Nomination Committee are to make recommendations to the Board on the appointment, re-appointment and removal of the Directors and senior management of the Company, assess the independence of the Independent Non-executive Directors, and to review the structure, size, composition and diversity of the Board and the Board diversity policy (the “Board Diversity Policy”) and make recommendations to the Board. The written terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The Nomination Committee held one meeting during the year under review. The tasks performed by the Nomination Committee during the year under review included but not limited to:

- (i) review of and recommendation on the structure, size, composition and diversity of the Board and/or the Board Committees;
- (ii) assessment of the independence of the Independent Non-executive Directors;
- (iii) review of the mix of the Board, qualification, skills and experience of the Directors to be retired and entitled to be re-elected at the AGM and recommendation to the Board on the re-appointment of the Directors;
- (iv) review of the Board Diversity Policy and the nomination policy of the Company (the “Nomination Policy”);
- (v) review of and recommendation on the adoption of workforce diversity policy of the Group;
- (vi) review of and recommendation on the adoption of revised terms of reference of the Nomination Committee;
- (vii) review of the implementation and effectiveness of the mechanisms that ensure independent views and input are available to the Board;
- (viii) consideration of re-designation of a Director and the Chief Executive Officer, appointment of a Non-executive Director and changes in composition of the Audit Committee and the Nomination Committee, and recommendation to the Board for approval; and
- (ix) consideration of change of executive responsibilities of Director and recommendation to the Board for approval.

Summary of Nomination Policy under Nomination Committee

The purpose of the Nomination Policy is to set out the selection criteria and procedure for the selection, appointment and re-appointment of Directors so as to ensure the Board has a balance of skills, experience, and diversity of perspectives relevant to the Group’s business, strategy and objectives. When seeking suitable Director candidates (including Independent Non-Executive Directors), the Nomination Committee may consider various sourcing channels, such as engaging professional recruitment agencies, seeking referrals from business networks, industry peers, or existing Directors, or placing recruitment advertisements, as appropriate. In assessing the suitability of a proposed candidate, the factors which would be used as reference by the Nomination Committee include but not limited to the following:






- reputation for integrity
- accomplishment and experience in the industry
- commitment in respect of available time and relevant interest
- diversity of the Board in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, professional experience, skills, knowledge, industry or other experience, expertise, independence and length of service
- potential contributions to the Board

Member(s) of the Nomination Committee shall convene a meeting of the Nomination Committee and invite nominations of candidates, if any, from Board members for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members. For filling a casual vacancy or appointing a Director as an additional member on the Board, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election or re-election at a general meeting, the Nomination Committee shall make nominations or recommendation to the Board for its consideration. A circular containing the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information as required pursuant to the applicable laws, rules and regulations, of the proposed candidates nominated by the Board to stand for election or re-election at a general meeting will be sent to Shareholders. A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election or re-election at any general meeting. If a Shareholder wishes to nominate a person for election as Director in general meeting, please refer to the "Procedures for Shareholders to Propose a Person other than a Retiring Director for Election as a Director" made available under the Corporate Governance section of the Investor Relations section on the Company's website.

Summary of Board Diversity Policy under Nomination Committee

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and succession planning and hence the purpose of the Board Diversity Policy aims to build and maintain a Board with a diversity of Directors, in terms of, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge, industry or other experience, expertise, independence and length of service. These differences will be taken into account in determining the optimum composition of the Board. The Company will also take into account factors based on its business model and specific needs from time to time. The Nomination Committee will discuss the measurable objectives for implementing diversity on the Board from time to time and recommend them to the Board for adoption.

An analysis of the Board composition as of the date of this annual report is set out in the following chart:

 No. of Directors	1	2	3	4	5	6	7	8
 Gender	Female		Male					
 Category	Executive Directors			Non-executive Directors		Independent Non-executive Directors		
 Age Group	Below 50		50 or above and below 60				60 or above	
 Length of Service	Below 5 years				Longer than 5 years			
 Location	Mainland China						Hong Kong	
 Skill, Knowledge and Experience	<ul style="list-style-type: none"> Property development, construction management, property management and real estate operations management Corporate strategies and risk management Customer service Capital market, investment management, asset management and finance 				<ul style="list-style-type: none"> Accounting and financial management Economics Listed company corporate governance 			

The Board is characterised by significant diversity and independence:

- the Board maintains at least one female Director
- Independent Non-executive Directors represent 37% of the Board members
- half of the Directors having served the Board for less than 5 years
- the Board is reasonably diverse in terms of geographical area, with six Directors based in Mainland China (where the Group's business and operations are situated in) and two Directors based in Hong Kong (where the Stock Exchange which the Company's Shares are listed on is situated in)
- diverse mix of expertise in different areas such as property industry experience, customer service, finance and accounting profession

The Nomination Committee reviews annually on the composition of the Board under diversified perspectives according to the Board Diversity Policy, and monitors the implementation of the Board Diversity Policy to ensure its effectiveness. The Board is satisfied that the current level of diversity of the Board is appropriate to the requirements of the Group's business model and specific needs and the Board Diversity Policy is consistently implemented. The Board is of the view that the gender diversity of the Board is reasonable. It is therefore not necessary to set any target or timeline for enhancing gender diversity on the Board for the time being. The Board targets to maintain at least the current level of female Director representation and as part of the succession planning, the Board will continue to seek opportunities to increase the female Director representation over time as and when suitable candidates are identified.

Gender diversity of workforce

The Group is committed to promoting gender diversity at all levels of its workforce. Equal opportunities for employment, training and career development are opened to all eligible employees regardless of gender. The Group promotes personal well-being and supports employees to balance work and home-life commitments. During the year, the Company adopted a workforce diversity policy (the "Workforce Diversity Policy"), which outlines the Company's approach and commitment to merit-based recruitment and the promotion of an inclusive workplace.

As at 31 December 2025, the gender diversity details of employees of the Group (excluding the Directors) are set out as follows:

Employee category	Male		Female	
	Number of persons	Percentage of employee category	Number of persons	Percentage of employee category
Senior management	2	67%	1	33%
Middle management	68	62%	41	38%
Non-management personnel	5,016	62%	3,063	38%
All levels	5,086	62%	3,105	38%

As at 31 December 2025, among all employees of the Group (excluding senior management of the Company), 62% were male and 38% were female. The Nomination Committee has reviewed the implementation and effectiveness of the Workforce Diversity Policy since its adoption and was of the view that the gender diversity of the workforce (including senior management) of the Group for the year ended 31 December 2025 was balanced and reasonable, having considered the Group's property management business model and specific operational needs. The Company considers that it is not necessary to set any numerical target or timeline for gender diversity in the workforce at this stage as it targets to maintain the current level of gender diversity. Nevertheless, the Group is committed to identifying and providing career development opportunities and professional training to high-potential female employees within the management levels, with the ultimate goal of enhancing their readiness for potential future Board appointments. The Group will continue to increase the proportion of female member in the senior management yet having the flexibility for the best candidate to be considered regardless of gender. These serve as measures to develop a pipeline of potential successors to the Board so as to ensure sustainable gender diversity at the Board level.

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters. Moreover, the Company Secretary is responsible for keeping all Directors updated on the Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company. The Company Secretary reports to the Board through the Joint Chairmen whilst all Directors have access to the advice and services of the Company Secretary.

The Company Secretary possesses professional qualification and extensive experience in discharging her duties as the Company Secretary. During the year under review, the Company Secretary has taken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility to present a balanced, clear and understandable assessment in the consolidated financial statements of the annual and interim reports, other price sensitive announcements and other financial disclosures as required under the Listing Rules, and to report to regulators as well as to disclose information required pursuant to statutory requirements. Where the Directors are aware of material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern, such uncertainties would be clearly and prominently set out and discussed in detail in the corporate governance report of the Company.

The statement of the independent auditor of the Company about its reporting responsibilities and opinion on the financial statements of the Company for the year ended 31 December 2025 is set out in the Independent Auditor's Report on pages 89 to 94 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

Duties of the Board and the management

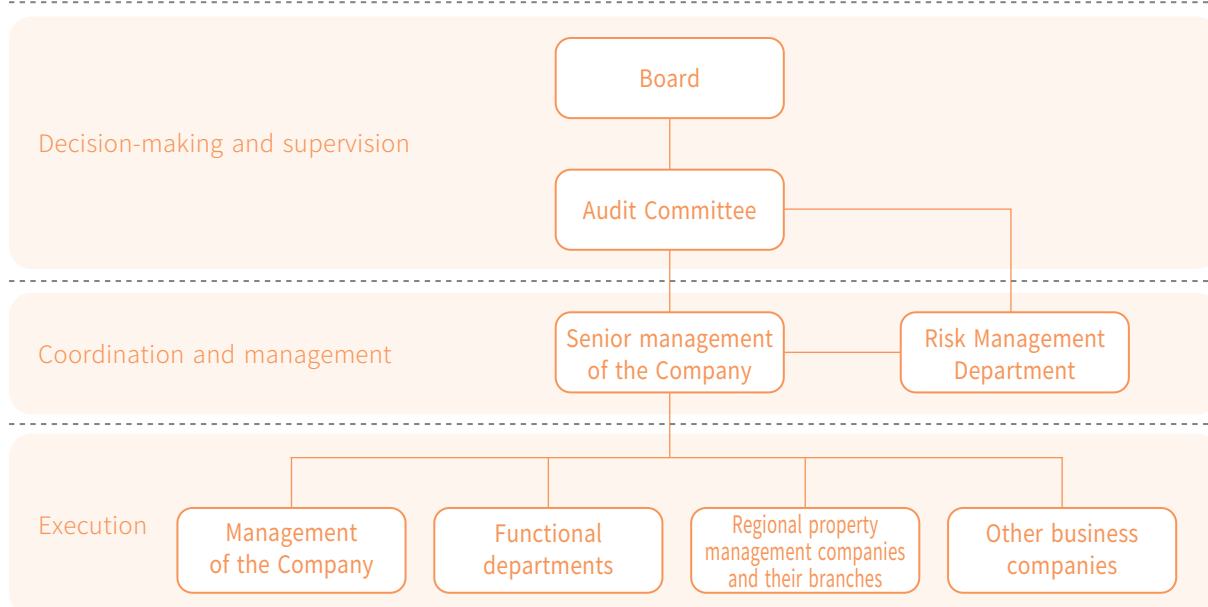
The Board reviews the Group's risk management and internal control systems annually which covers, among other things, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions as well as those relating to the ESG performance and reporting and the effectiveness of the Group's risk management and internal control systems. The review of the effectiveness of the Group's risk management and internal control systems covers all material controls, including financial, operational and compliance controls and risk management functions.

Risk management

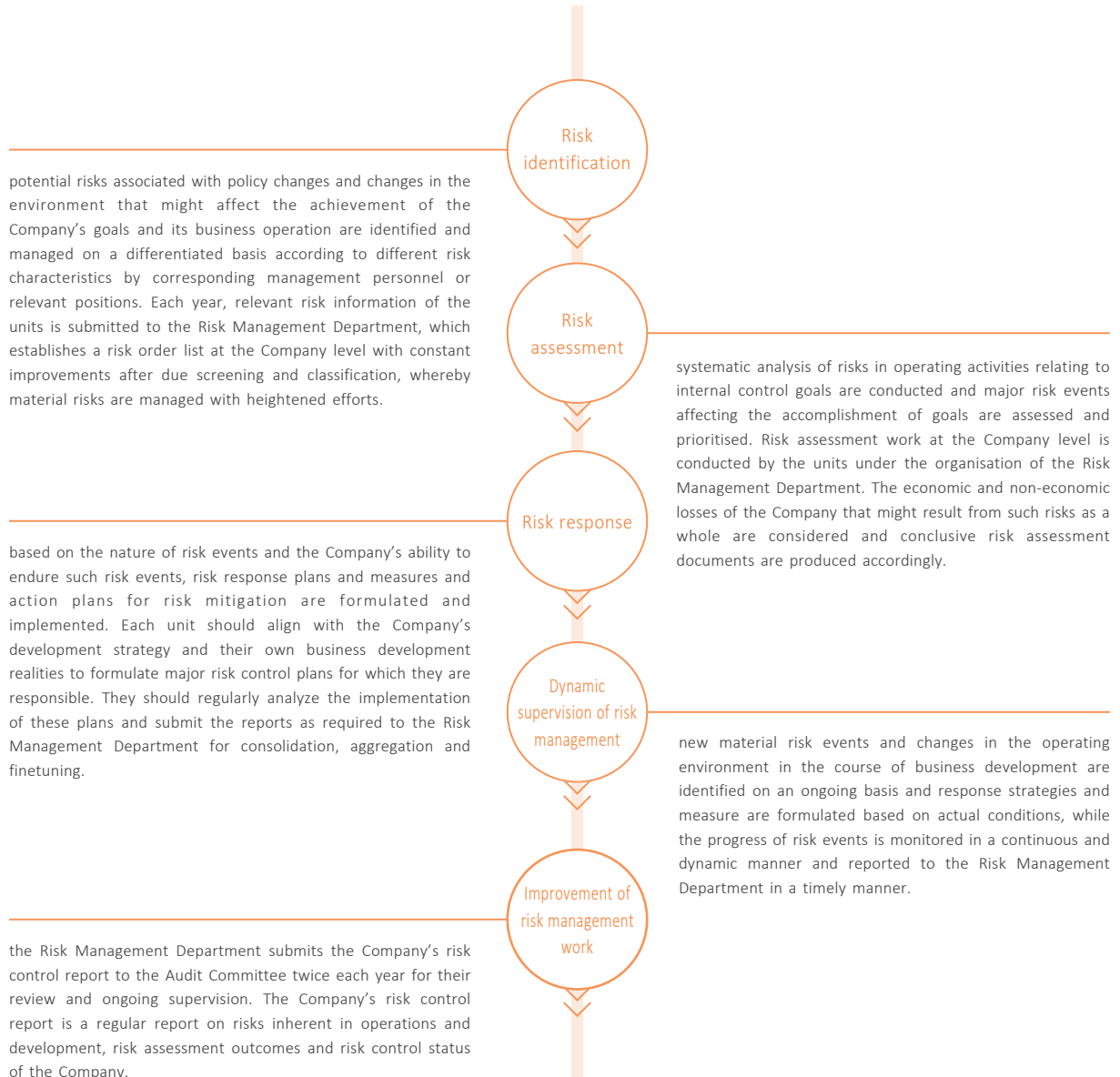
The Group is of the view that effective risk management is crucial to its business sustainability and success in the long term. To perfect the Group's risk management work, improve the quality of its operations, foster a sound culture for risk management, establish a comprehensive risk management regime, facilitate the accomplishment of the Group's overall strategic and operating goals and ensure the regulation and standardisation of risk management, the Company has formulated the "Comprehensive Risk Management System" as the standards for its risk management work.

The Board, the management and the functional departments, the subsidiary units and all staff of the Company have jointly participated in risk management and established an official organisational structure for risk management. Through the implementation of basic risk management processes and strategies in various steps and operating procedures of the Company's management based on its strategic and operating goals, relevant control measures are carried out in respect of the internal and external uncertainties in the Company's operation that might compromise the Company's interests to maximise such interests. The Risk Management Department is responsible for the organisation, coordination and centralised management of the Company's risk management work and furnishes the risk management work plan for the ensuing year at the end of each year to organise risk assessment work, whereby all functional departments and subsidiary units conduct relevant tasks such as risk identification and assessment and formulate risk response plans in accordance with the plan.

Organisational structure of risk management



Risk management process



Through the establishment of the management organisational structure and processes, the Group has defined responsibilities in risk management work, the identification of risk information and response measures and set out its risk management procedures to facilitate systematic risk profiling and control.

Internal control

The Board requires the management to maintain sound and effective internal control. The Group has an internal audit function. Assessment of the Group's risk management and internal control and internal audit is independently conducted by the Risk Management Department, which is responsible for coordinating the Company's internal control work. At the end of each year, the Risk Management Department proposes the internal audit plan for the following year, the scope of which covers internal control audit, turnover audit, in-service audit and specific audit, subject to subsequent adjustments in the number of internal audit items and sequence of implementation depending on actual management needs, and such audit plan will be submitted to the general manager of the Risk Management Department and the general manager of the Company for approval. The Risk Management Department reports to the Audit Committee twice each year on, among others, any significant findings and the effectiveness of internal audit, risk management and internal control systems. All findings and rectification on internal control deficiencies are communicated with respective management and/or business units for process improvement, in order to ensure that satisfactory control is maintained. Any major audit findings and control deficiencies are reported to the Audit Committee and all rectification plans will be properly followed up by management and/or business units to ensure that they are remediated as intended within a reasonable period; and the status is reported to the Audit Committee. The Company has formulated the "Comprehensive Risk Management System" and "Internal Audit Management System" to enhance the effectiveness of internal audit and bring into full play the positive effect of internal audit on internal control and risk management and on the accomplishment of the Company's strategic goals.

The Board acknowledges that it is responsible for the risk management and internal control systems of the Group and reviewing their effectiveness. The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board, through the Audit Committee and the Risk Management Department, conducted the review of the risk management and internal control systems of the Group for the year ended 31 December 2025 and considered them remain effective and adequate. The Board, through the Audit Committee and the Risk Management Department, will also review the risk management and internal control systems of the Group on a continuous basis.

The Group has implemented the policy on price-sensitive inside information (the "Inside Information Policy") in order to ensure inside information is identified, handled and disseminated in compliance with the SFO and the Listing Rules. The Inside Information Policy also provides for the proper procedures and prohibition of handling inside information. The Group will disclose inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours provisions and satisfies the conditions under the SFO. Before the information is fully disclosed to the public, the Group will ensure that the information is kept strictly confidential. All employees are prohibited at all times from dealing in the securities of the Company when they are in possession of unpublished inside information. Further, relevant employees are subject to a 60-day blackout period prior to the release of the Company's annual results and a 30-day blackout period prior to the release of interim results and not allowed to release price-sensitive information to media, investors and financial institutions.

Whistleblowing channel

The Group adheres to promoting an open, transparent, sharing and responsible corporate culture and therefore has adopted a “Measures for Whistleblowing and Complaints” and a “Whistleblowing Policy” (the “Whistleblowing Policy”) in order to strengthen company management, deal with various violations of laws and regulations, prevent corruption and fraud problems, resist commercial bribery through encouraging whistleblowers (including employees, suppliers, customers and business partners) to report the infractions of Directors, management and employees of the Company and to raise their concerns for any possible fraud, corruption or improprieties in any matter related to the Group.

According to the Whistleblowing Policy, the Risk Management Department is responsible for investigating and handling reported cases in accordance with relevant policies. The Audit Committee shall supervise the implementation of the Whistleblowing Policy and shall delegate to the Risk Management Department the day-to-day management responsibility under the Whistleblowing Policy. The Risk Management Department shall distinguish whether the reported matter is material and material cases shall be reported to the Audit Committee. The Audit Committee shall subsequently determine actions to be taken in respect of such material cases and may delegate the authority to take such actions. The Whistleblowing Policy has been published on the Company’s website.

Reporting of infractions and clues and evidence of violations of laws and disciplines can be submitted on an anonymous or non-anonymous basis in the form of emails, letters or telephone calls for the attention to the Risk Management Department. All whistleblowing cases (if any) will be handled by the Risk Management Department on a confidential basis, the investigation results will be discussed and sanction will be imposed.

Anti-corruption and anti-bribery policy

Probity, integrity, fairness, impartiality and commercially ethical conduct represent part of the core corporate values of the Group. The Company has established an “Anti-corruption and Anti-bribery Policy” (the “Policy”) and all Directors and employees of the Group are bound by the Policy and shall refrain from committing any forms of corruption, bribery, extortion, fraud and money-laundering. The Policy has been published on the Company’s website.

The Group also organizes the employees to carry out compliance and integrity training every year to enhance the integrity awareness across the organisation. The compliance and integrity trainings are given to directors, senior management and staff of the Group. During the year, the Group held a total of 67 anti-corruption and anti-bribery training sessions.

SUSTAINABLE DEVELOPMENT

To ensure the smooth development of sustainability work, the Board acts as the supreme decision-making body for sustainability management to oversee all affairs relating to sustainability, formulate policies and strategies for sustainability and regulate the corporate ESG management structure. The Company has established the sustainability work group (the “Sustainability Work Group”) which is responsible for collecting relevant information, supervising the execution of sustainability policies and strategies formulated by the Board, and reporting relevant work to the decision-making body regularly. Formed by the corresponding officers of various departments, the Sustainability Work Group elucidates the duties of various specialised positions in the strategy and established relevant mechanisms to safeguard smooth operation according to the Company’s current sustainability principles. The Board appreciates the importance of sustainability for the Company and the society and firmly believes that sustainability is conducive to the Company’s business growth.

The Board will continue to maintain a high level of sustainability, ensuring sound corporate governance, safeguarding employees’ interests, protecting the environment and maintaining active communication and sound relations with stakeholders.

INDEPENDENT AUDITOR

BDO Limited is responsible for auditing and forming an independent opinion on the Group's consolidated financial statements for the year ended 31 December 2025.

Details of the remunerations paid/payable for the audit and non-audit services provided by the auditors to the Group for the year ended 31 December 2025 are set out in the table below:

Services rendered	RMB'000
Audit services:	
— Annual audit	2,830
Non-audit services:	
— Review of interim financial information	950
— Other services	240

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's amended and restated memorandum and articles of association during the year ended 31 December 2025.

SHAREHOLDERS' RIGHTS AND COMMUNICATION

As one of the measures to safeguard the interests and rights of the Shareholders, separate resolutions are proposed at general meetings on every substantial matter, including the election of individual Directors, for Shareholders' consideration and voting. Furthermore, the Company regards AGM or EGM as an important event and the Directors (including the Joint Chairmen and chairman of each Board Committee), senior management of the Company, external auditors and external advisers (where necessary) make efforts to attend the AGMs or EGMs to address the Shareholders' queries. All resolutions proposed at general meetings will be voted by poll. The poll voting results will be posted on the websites of the Stock Exchange and the Company on the same day of the relevant general meetings.

An AGM must be called by notice of not less than twenty-one (21) clear days. All other general meetings (including an EGM) must be called by notice of not less than fourteen (14) clear days but if permitted by the rules of the Stock Exchange, a general meeting may be called by shorter notice, subject to the Cayman Islands Companies Act, if it is so agreed:

- (a) in the case of a meeting called as an AGM, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the members.

Pursuant to the Articles, (i) the Board may whenever it thinks fit call EGMs; if at any time there are not sufficient Directors capable of acting to form a quorum, any one Director or any two or more Shareholder(s) representing at least ten per cent. (10%) of the total voting rights of all Shareholders having a right to vote at general meetings may convene an EGM in the same manner as nearly as possible as that in which meetings may be convened by the Directors, and (ii) any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business or resolutions specified in such requisition or to add any resolutions specified in such requisition to a meeting agenda; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. All requisitions shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Board or the Company Secretary.

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

The Joint Chairmen ensure that appropriate steps are taken to provide effective communication with the Shareholders and that their views are communicated to the Board as a whole. The Board has adopted a shareholders' communication policy reflecting the current practices of the Company for communication with the Shareholders (the "Shareholders' Communication Policy"). The Shareholders' Communication Policy aims at ensuring that the Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner and to enhance communication between the Company and the Shareholders.

The Company adheres to high standards with respect to the disclosure of its financial statements. To foster two-way communication between the Company and the Shareholders and potential investors and to solicit and understand the views of the Shareholders and potential investors, the Company has also established a dedicated Investor Relations personnel and provided email (ir@sinooceanservice.com) to receive and respond to enquiries from Shareholders and the public. In addition, the Company is committed to maximizing the use of its website as a channel to provide updated information in a timely manner and strengthen the communication with both the Shareholders and the public. Further information about investor relations is set out in the Investor Relations Report of this annual report.

During the year under review, an AGM was held on 30 May 2025 and an EGM was held on 31 October 2025 at which the Directors (including the Joint Chairmen and chairmen of the Board Committees), senior management of the Company, external auditors and/or external advisers made efforts to attend either in person or by means of electronic facilities to communicate with the Shareholders and to address their queries. In addition, all corporate communications and regulatory announcements were published by the Company on the websites of the Stock Exchange and the Company in a timely manner. The Company also maintained communication with analysts and investors through results announcement press conferences, the official WeChat public account of Sino-Ocean Service and roadshows. Efficient communication between the management and investors was arranged with positive feedback from all parties. The Board has reviewed the Shareholders' Communication Policy and in view of the above steps taken to communicate with the Shareholders, considered that it has been implemented effectively during the year.

INDEPENDENT AUDITOR'S REPORT



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To the Shareholders of
Sino-Ocean Service Holding Limited
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Sino-Ocean Service Holding Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 95 to 161, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "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 judgment, 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.

Loss allowance assessment of trade and note receivables

Refer to Note 5(a) "Critical accounting estimates and judgements" and Note 23 "Trade and note receivables" to the consolidated financial statements.

As at 31 December 2025, the gross amount of trade and note receivables of the Group amounted to approximately RMB1,819 million. Management has assessed the expected credit losses ("ECLs") of trade and note receivables and recognised provision for loss allowance of approximately RMB1,143 million on these trade and note receivables as at 31 December 2025. The net carrying amount of trade and note receivables represented approximately 26% of the total assets of the Group as at 31 December 2025.

Provision for loss allowance of trade and note receivables was made based on an assessment of the lifetime expected credit losses, including an assessment of the risk of default and the expected loss rate. In performing the assessment, management considered the credit quality of debtors by considering their historical observed default rates, financial position, ageing profile of receivable balances, and other factors, and taking into account of current market conditions and forward-looking estimates at the end of each reporting period.

We focused on auditing the loss allowance assessment of trade and note receivables because the estimation of recoverable amount is subject to high degree of estimation uncertainty. The inherent risk in relation to the loss allowance assessment of trade and note receivables is considered significant due to the subjectivity of significant assumptions and estimates used.

How our audit addressed the key audit matter

We have performed the following procedures to address this key audit matter:

- understanding the key controls on how the loss allowance for trade and note receivables is estimated by the management;
- reviewing and assessing the application of the Group's policy for calculating ECLs to consider consistency of application;
- evaluating techniques and methodologies in ECLs model against the requirements of HKFRS 9;
- assessing the reasonableness of ECLs estimates from checking the information used by the management to make the judgements, which comprises testing the accuracy of the history of default, evaluating the current economic conditions and forward-looking information specific to the customers used in determining estimated loss rates, and considering subsequent settlements and the latest information subsequent to the year end date for any adjustments to default rate required;
- evaluating the competency, capabilities and objectivity of the independent external valuer by checking the valuer's related qualification and credentials in similar loss allowance assessment projects;
- evaluating the appropriateness of the methodology and the reasonableness of key assumptions adopted with the involvement of our internal valuation experts;
- selecting samples from the aging analysis to consider appropriateness of classification of trade and note receivables to ensure proper determination of trade and note receivables with significant increase in credit risks by checking to the settlement records, and discussing with the management about the customers' current ability of settlement, any available information for assessing the creditability of the customers and the current economic environment in which the customers operate; and
- checking the mathematical accuracy of the ECLs.

Loss allowance assessment of other receivables

Refer to Note 5(b) "Critical accounting estimates and judgements" and Note 25 "Prepayments and other receivables" to the consolidated financial statements.

As at 31 December 2025, the gross amount of other receivables of the Group amounted to approximately RMB644 million. Management has assessed the ECLs of other receivables and recognised provision for loss allowance of approximately RMB507 million on these other receivables as at 31 December 2025. The net carrying amount of other receivables represented approximately 5% of the total assets of the Group as at 31 December 2025.

The assessment of impairment of other receivables measured at amortised cost under the expected credit loss model is considered to be a key audit matter as it requires the application of judgement to reflect information about past events, current conditions and forecasts of future conditions, and use of subjective assumptions by the management.

How our audit addressed the key audit matter

We have performed the following procedures to address this key audit matter:

- understanding the key controls on how the impairment assessment of other receivables is estimated by the management;
- reviewing and assessing the application of the Group's policy for calculating ECLs to consider consistency of application;
- evaluating the competency, capabilities and objectivity of the independent external valuer by checking the valuer's related qualification and credentials in similar loss allowance assessment projects;
- evaluating the appropriateness of the methodology and the reasonableness of key assumptions adopted with the involvement of our internal valuation experts;
- evaluating techniques and methodologies in ECLs model against the requirements of HKFRS 9;
- assessing the reasonableness of the basis and judgement of the management in determining credit loss allowance on other receivables;
- testing the key data sources applied in the ECLs computation on a sample basis by checking to the supporting information and external data sources, as applicable; and
- checking the mathematical accuracy of the ECLs.

Impairment assessment of property management contracts, customer relationships and goodwill

Refer to Note 5(c) "Critical accounting estimates and judgements" and Note 19 "Intangible assets" to the consolidated financial statements.

As at 31 December 2025, the gross amount of property management contracts and customer relationships amounted to approximately RMB155 million and goodwill of approximately RMB462 million as arisen from the Group's acquisitions of property management subsidiaries (the "Subsidiaries"). Management has performed impairment assessment and recognised impairment on goodwill of approximately RMB347 million as at 31 December 2025. The net carrying amount of property management contracts, customer relationships and goodwill represented approximately 10% of the total assets of the Group as at 31 December 2025.

For the purpose of impairment assessment, management has allocated the property management contracts, customer relationships and goodwill to respective subsidiaries considering that each of these Subsidiaries is operating and generating cash flows independently and hence was considered as an individual cash-generating unit ("CGU"). Management assessed the recoverable amounts of these Subsidiaries with the assistance of an independent external valuer. The recoverable amounts were determined based on value-in-use ("VIU") calculations. VIU is evaluated by discounting the cash flow projections of the relevant Subsidiaries based on the approved financial budgets of the respective Subsidiaries. The key assumptions as adopted in the impairment assessment mainly including (i) annual revenue growth rate, selling and marketing expenses and administrative expenses growth rate, (ii) gross margin, (iii) pre-tax discount rate and (iv) terminal cash flow growth rate.

We focused on auditing the impairment assessment of property management contracts, customer relationships, and goodwill because the estimation of recoverable amount is subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment assessment of property management contracts, customer relationships, and goodwill is considered significant due to subjectivity of significant assumptions and estimates used.

How our audit addressed the key audit matter

We have performed the following procedures to address this key audit matter:

- understanding the Group's impairment assessment process, including the impairment model, basis of allocation of goodwill to CGUs, the preparation of the cash flow projections ("Cashflow Forecasts") and key management assumptions adopted in these Cashflow Forecasts through enquiries with the management;
- evaluating the competency, capabilities and objectivity of the independent external valuer by checking the valuer's related qualification and credentials in similar impairment assessment projects;
- evaluating the appropriateness of the methodology and the reasonableness of key assumptions adopted with the involvement of our internal valuation experts;
- challenging the appropriateness of the key assumptions adopted by the management in the Cashflow Forecasts, such as the budgeted gross margin and forecast growth rates, and discount rates applied and comparing them with available market data and our knowledge of the current market development in the jurisdiction where these subsidiaries operate; and
- comparing the historical cash flow forecast against the performance of CGUs to test the accuracy of management's projections.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises 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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regards.

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. This report is made solely to you, as a body, in accordance with the terms of our 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with directors, 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

TSUI, Ka Che, Norman

Practising Certificate Number: P05057

Hong Kong, 25 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	7	2,724,158	2,840,029
Cost of sales and services	7,10	(2,565,590)	(2,322,749)
Gross profit		158,568	517,280
Selling and marketing expenses	10	(25,539)	(21,019)
Administrative expenses	10	(238,551)	(228,565)
Net impairment losses on goodwill		(331,879)	(9,212)
Net impairment losses on investment properties		(16,252)	(5,375)
Net impairment losses on financial assets		(870,372)	(254,022)
Other income	8	14,399	20,211
Other losses	9	(207,531)	(2,739)
Operating (loss)/profit		(1,517,157)	16,559
Finance costs	12	(506)	(586)
Share of results in joint ventures	14	1,978	(644)
(Loss)/profit before income tax		(1,515,685)	15,329
Income tax credit	15	130,832	13,261
(Loss)/profit and total comprehensive income for the year		(1,384,853)	28,590
(Loss)/profit and total comprehensive income for the year attributable to:			
Owners of the Company		(1,371,232)	28,915
Non-controlling interests		(13,621)	(325)
		(1,384,853)	28,590
(Loss)/earnings per share			
Basic and diluted (expressed in RMB per share)	16	(1.158)	0.024

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Investment properties	17	68,294	89,470
Property, plant and equipment	18	27,852	34,486
Intangible assets	19	295,605	668,853
Right-of-use assets	20	5,150	5,938
Investments in joint ventures	14	32,926	49,948
Deferred income tax assets	31	427,735	214,107
		857,562	1,062,802
Current assets			
Inventories	22	211,507	614,169
Trade and note receivables	23	675,675	1,038,241
Contract assets	24	4,558	4,727
Prepayments and other receivables	25	187,346	522,631
Restricted bank deposits	26	18,257	19,361
Cash and cash equivalents	26	693,805	761,144
		1,791,148	2,960,273
Total assets		2,648,710	4,023,075
Equity			
Share capital	27	99,829	99,829
Reserves		1,185,226	1,185,226
(Accumulated losses)/retained earnings		(560,020)	811,212
Equity attributable to owners of the Company		725,035	2,096,267
Non-controlling interests		25,075	40,348
Total equity		750,110	2,136,615

	Notes	2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Other payables	30	7,096	9,706
Lease liabilities	20	3,473	4,090
Deferred income tax liabilities	31	38,601	46,074
		49,170	59,870
Current liabilities			
Trade and other payables	30	1,348,209	1,291,456
Contract liabilities	7.1	474,693	494,117
Lease liabilities	20	1,969	1,521
Current tax liabilities		24,559	39,496
		1,849,430	1,826,590
Total liabilities		1,898,600	1,886,460
Total equity and liabilities		2,648,710	4,023,075

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements were approved and authorised for issue by the board of directors on 25 March 2026 and was signed on its behalf by:

Yang Deyong
Executive Director

Zhu Geying
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Note	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
		Share capital (Note 27) RMB'000	Statutory reserve (Note 28) RMB'000	Other reserve (Note 29) RMB'000	Retained earnings RMB'000	Total RMB'000			
Balance as at 1 January 2024		99,829	13,108	1,203,963	782,297	2,099,197	46,513	2,145,710	
Comprehensive income									
Profit for the year		—	—	—	28,915	28,915	(325)	28,590	
Transactions with owners in their capacity as owners									
Dividends declared and paid during the year	32	—	—	(31,850)	—	(31,850)	—	(31,850)	
Disposal of a subsidiary	36	—	—	—	—	—	(691)	(691)	
Deregistration of a subsidiary		—	—	5	—	5	(3,971)	(3,966)	
Capital contributions from non-controlling interests		—	—	—	—	—	665	665	
Distribution relating to non-controlling interests		—	—	—	—	—	(1,843)	(1,843)	
Balance as at 31 December 2024		99,829	13,108	1,172,118	811,212	2,096,267	40,348	2,136,615	

	Note	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
		Share capital (Note 27) RMB'000	Statutory reserve (Note 28) RMB'000	Other reserve (Note 29) RMB'000	Retained earnings/ (accumulated losses) RMB'000	Total RMB'000			
Balance as at 1 January 2025		99,829	13,108	1,172,118	811,212	2,096,267	40,348	2,136,615	
Comprehensive income									
Loss for the year		—	—	—	(1,371,232)	(1,371,232)	(13,621)	(1,384,853)	
Transactions with owners in their capacity as owners									
Distribution relating to non-controlling interests		—	—	—	—	—	(1,652)	(1,652)	
Balance as at 31 December 2025		99,829	13,108	1,172,118	(560,020)	725,035	25,075	750,110	

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
(Loss)/profit before income tax		(1,515,685)	15,329
Adjustments for:			
Loss on disposal of property, plant and equipment	9	53	95
Loss on disposal of investment property	9	—	1,057
Share of results in joint ventures	14	(1,978)	644
Loss on disposal of a subsidiary	9	—	719
Net impairment losses on financial assets		870,372	254,022
Net impairment losses on inventories	10	165,208	23,003
Net impairment losses on investment properties	17	16,252	5,375
Net impairment losses on goodwill		331,879	9,212
Loss arising from the Transaction	9	207,107	—
Depreciation of investment properties	17	4,924	3,697
Depreciation of right-of-use assets	20	3,078	5,389
Amortisation of intangible assets	19	41,441	35,346
Depreciation of property, plant and equipment	18	10,872	13,751
Interest income	8	(2,607)	(4,152)
Written off of account payables	8	(625)	(1,036)
Exchange losses	9	371	863
Finance costs	12	506	586
Operating cash flows before movements in working capital		131,168	363,900
Decrease in inventories		30,347	14,183
Increase in trade and note receivables		(166,257)	(162,068)
Increase in prepayments and other receivables		(836)	(19,781)
Decrease in contract assets		169	12,686
Decrease/(increase) in restricted bank deposits		1,104	(10,241)
Increase in trade and other payables		61,892	9,656
Decrease in contract liabilities		(17,710)	(23,947)
Cash generated from operations		39,877	184,388
Income tax paid		(112,393)	(72,986)
Interest received		2,607	4,152
Net cash (used in)/generated from operating activities		(69,909)	115,554

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Deposit refunded from third parties		—	15,000
Acquisition of subsidiaries in previous year, net of cash acquired		(8,580)	—
Disposal of a subsidiary, net of cash and cash equivalents disposed of	36	—	(1)
Purchase of property, plant and equipment		(4,734)	(6,604)
Purchase of investment properties		—	(908)
Purchase of intangible assets		(72)	(6,421)
Dividend received from a joint venture		19,000	—
Proceeds from disposal of property, plant and equipment		1,944	383
Proceeds from disposal of investment property		—	33,523
Net cash generated from investing activities		7,558	34,972
Cash flows from financing activities			
Dividends paid	32	—	(31,850)
Return of capital to non-controlling interests upon deregistration of subsidiaries		—	(3,971)
Payments of lease liabilities	33(b)	(2,965)	(3,062)
Distribution relating to non-controlling interests		(1,652)	(1,843)
Capital contributions from non-controlling interests		—	665
Net cash used in financing activities		(4,617)	(40,061)
Net (decrease)/increase in cash and cash equivalents		(66,968)	110,465
Cash and cash equivalents at the beginning of the year		761,144	651,542
Effect of exchange rate changes on cash and cash equivalents		(371)	(863)
Cash and cash equivalents at the end of the year		693,805	761,144

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Sino-Ocean Service Holding Limited (the “Company”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Islands Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) on 15 April 2020. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 17 December 2020 (the “Listing”).

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

The Company’s immediate holding company is Shine Wind Development Limited, which was incorporated with limited liability in the British Virgin Islands. Its ultimate holding company is Sino-Ocean Group Holding Limited (“Sino— Ocean Group Company”), a limited liability company incorporated in Hong Kong on 12 March 2007, and its shares are listed on the Stock Exchange.

The consolidated financial statements are presented in Renminbi (“RMB”) (which is also the Company’s presentational currency), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors on 25 March 2026.

2. BASIS OF PREPARATION

Basis of measurement and going concern assumption

The consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (collectively “HKFRS Accounting Standards”) as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

For the year ended 31 December 2025, the Group incurred a loss of approximately RMB1,385 million and had a net cash outflow from its operating activities of approximately RMB70 million and as at that date, its current liabilities exceeded its current assets by approximately RMB58 million. Nevertheless, these consolidated financial statements were prepared on the assumption that the Group is able to operate as a going concern as the directors of the Company are of the view that the Group will have sufficient working capital to finance its operations and fulfil its financial obligations as and when they fall due based on a cash flow forecast covering a period from the end of the reporting period to 30 June 2027 (“Forecast”). The Forecast was prepared after taking into consideration of a number of measures that aim at improving profitability and cash flow including implementation of cost controls, close monitoring of collection of receivables and negotiation with suppliers to extend credit terms.

2. BASIS OF PREPARATION (CONTINUED)

Basis of measurement and going concern assumption (Continued)

Notwithstanding that there is an inherent uncertainty associated with the future outcomes of the Group's plans in the Forecast, including whether the Group is able to improve its financial performance, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the consolidated financial statements to write down the carrying amounts of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments have not been reflected in the consolidated financial statements.

Application of Amendments to HKFRS Accounting Standards

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 as issued by the HKICPA that are first effective and relevant for the current accounting period of the Group:

Amendments to HKAS 21	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosure about Uncertainties in the Financial Statements

The application of the amendments listed above in the current year has had no material effect on the Group's financial performance and financial positions for the current and prior year.

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

The Group has not applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these new and amendments to HKFRS Accounting Standards but is not yet in a position to state whether these new and amendments to HKFRS Accounting Standards would have a material impact on its results of operations and financial position:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7, Classification and Measurement of Financial Instruments	1 January, 2026
Amendments to HKFRS 9 and HKFRS 7, Contracts Referencing Nature — dependent Electricity	1 January, 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January, 2026
HKFRS 18, Presentation and Disclosure in Financial Statements	1 January, 2027
HKFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January, 2027
Amendments to HKAS 21, The Effects of Changes in Foreign Exchange Rates	1 January, 2027

2. BASIS OF PREPARATION (CONTINUED)

Application of Amendments to HKFRS Accounting Standards (Continued)

New and Amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

The Group is currently assessing the effect of these new accounting standards and amendments.

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

3. ACCOUNTING POLICIES

Principles of consolidation and equity accounting

Consolidation

The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date control ceases.

Equity accounting

The Group's interests in joint venture are those arrangements in which the Group has joint control, whereby the Group has rights to net assets of the arrangement than rights to its assets and obligations for its liabilities. The Group's interests in joint venture are account for using the equity method of accounting in which the investments are initially recognised at cost, which includes transaction costs, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income until the date on which joint control ceases or is classified as held for sales. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in "Impairment of non-financial assets" below.

3. ACCOUNTING POLICIES (CONTINUED)

Separate financial statements

Investments in subsidiaries are accounted for at cost, which includes transaction cost, and less impairment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments that dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Business combinations and merger accounting for business combination under common control

The Group applies the acquisition method to account for business combinations not under common control when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. The consideration transferred for the acquisition is generally measured at fair value as are the identifiable net asset acquired and any previously held equity interest in acquiree.

The Group recognises any non-controlling interest in the acquiree at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Under merger accounting, the net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirers' interest in the net fair value of acquirees' identifiable net assets over cost at the time of common control combinations, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combinations. The comparative amounts in the consolidated statement of financial position are presented as if the entities had been combined at the beginning of previous year unless they first came under common control at a later date.

Foreign currency translation

Foreign currency transactions are translated into the functional currency of the respective group companies using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the profit or loss. All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other gain/(losses).

3. ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

	Estimated useful lives	Estimated net residual value
— Buildings	20 years	0%
— Office and operating equipment	2–10 years	0–5%
— Vehicles	2–10 years	0–5%
— Leasehold improvement	Estimated useful lives or remaining lease terms of related lease whichever is shorter	0%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses)" in the consolidated statement of comprehensive income.

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly but not remeasured. The reclassification does not change the carrying amount of the property and they do not change the cost of that property.

Investment properties

Investment properties, principally units of commercial properties and office building, and parking spaces, are held to earn rentals. On initial recognition, investment properties are 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 charged so as to write off the cost of investment properties over their estimated useful lives of 20 years and after taking into account of their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

3. ACCOUNTING POLICIES (CONTINUED)

Intangible assets

(a) Goodwill

Goodwill arising on business combination represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous held equity interest in the acquiree over the fair value of the identified net assets acquired. They are measured at cost less accumulated impairment losses.

(b) Trademarks

Separately acquired trademarks with a finite useful life are initially measured at cost and are subsequently measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate their cost over their estimated useful lives of 13 years, with reference to the period of legal rights, including the renewal period and cost of renewal.

(c) Property management contracts and customer relationships

Property management contracts and customer relationships acquired in business combinations with a finite useful life are initially recognised at fair value at the acquisition date and are subsequently measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over the expected useful lives of 7.75 to 10 years.

(d) Computer software

Acquired computer software programs are initially recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses. Taking into account of the continuity, the stability and simplicity of the service provided by the Group and the past experience of the actual useful life of computer software, these costs are amortised over their estimated useful lives 5 to 10 years.

3. ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level at which the goodwill is monitored for internal management purposes. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial assets

Recognition, classification and measurement

The Group classifies its financial assets measured at amortised cost.

Trade and note receivables without significant financing component are recognised initially at transaction price. All other financial assets are initially measured at its fair value plus, transaction costs that are directly attributable to their acquisition or issuance. For trade and note receivables, they are amounts due from customers for services performed in the ordinary course of business. If collection of trade and note receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. The Group holds the trade and note receivables together with other receivable and bank deposits with the objective to collect the contractual cash flows and its contractual terms give rise on specified dates to cashflows that are solely payments of principal and interest on the principal outstanding amount and therefore measures them subsequently at amortised cost using the effective interest method. Their gross carrying amount is reduced by impairment losses. Interest income from these financial assets is included in interest income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other losses, net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

Impairment

The Group recognised on a forward-looking basis the expected credit losses associated with its financial assets measured at amortised cost.

3. ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Impairment (Continued)

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade and note receivables, the Group applies both the simplified approach and the general approach under HKFRS 9 “Financial Instruments” (“HKFRS 9”). Under the simplified approach, a provision matrix is used, which requires lifetime expected credit losses to be recognized from initial recognition of the receivables. This matrix is based on historically observed default rates over the expected life of trade and note receivables that share similar credit risk characteristics and is adjusted to reflect forward-looking estimates. Under the general approach, a three-stage model is applied, determined by changes in the credit quality of each trade and note receivable since initial recognition, along with the estimated expected economic loss for the receivable. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. For details of the Group’s accounting for trade and note receivables and description of the Group’s impairment policies, see Notes 4.1.2 and 23.

Impairment on other financial assets are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. Note 4.1.2 details how the Group determines whether there has been a significant increase in credit risk. If a significant increase in credit risk has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is measured by using specific identification of their individual costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

Trade and other payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3. ACCOUNTING POLICIES (CONTINUED)

Current and deferred income tax (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period in the countries where the entity operate and generate taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference or temporary differences arising on investments in subsidiaries and joint venture, where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Employee benefits

(a) Short-term obligations

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

(b) Pension obligations

The Group's contributions to the defined contribution pension plans are expensed as incurred.

3. ACCOUNTING POLICIES (CONTINUED)

Employee benefits (Continued)

(c) *Housing funds, medical insurances and other social insurances*

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) *Bonus entitlements*

Expected costs of bonus payments are recognised as liabilities when constructive obligations are present, as a result of services rendered by employees and reliable estimations of the obligations can be made.

Provisions

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

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Revenue recognition

The Group provides property management services on residential and other non-commercial properties, commercial operational and property management services on commercial properties, community value-added services and value-added services to non-property owners. Revenue from providing services is recognised in the accounting period in which the services are rendered.

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

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

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

3. ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

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

Property management services on residential and other non-commercial properties and property management services on commercial properties (collectively referred to as “property management” and “commercial services”)

For property management services, the Group bills a fixed amount for services provided and recognises as revenue in the amount to which the Group has a right to bill and that corresponds directly with the value of performance completed on a monthly basis.

For property management services income from properties managed under lump sum basis, where the Group as a principal is primary 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 when the customer simultaneously benefits from the services provided by the Group.

For property management services income from properties managed under commission basis, where the Group recognises the commission, which is calculated by a pre-determined amount of the property management fee received or receivable from the properties units as its revenue over time for arranging and monitoring the services as provided by other suppliers and the Group to the property owners.

For commercial services, including pre-opening management, the Group charges pre-opening management service fees at certain multiplier per monthly rent. Revenue from commercial services are recognised in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

Value-added services to non-property owners

Value-added services to non-property owners mainly includes (i) Pre-delivery services to property developers, which mainly includes cleaning and security services to property developer, which are billed based on the pre-determined price and revenue is recognised when such services are provided; (ii) Consultancy services, which are billed based on the contract amount with property developers and revenue is recognised when the services are provided; (iii) Property engineering services mainly include engineering and maintenance services of intelligent security equipment. Revenue from engineering services is recognised overtime as the work progresses.

Community value-added services

Community value-added services mainly includes (i) Property brokerage services in relation to commission income from sales and rental of second-hand properties, which is billed to property owners and third parties immediately upon the services are provided and is recognised on a net basis at point in time; (ii) Revenue from community asset value-added services, which is recognised over the time when such services are rendered; (iii) Revenue from community living services are charged for each service provided and recognised when the relevant services are rendered or the relevant commodities delivered; (iv) Revenue from sales of parking spaces and properties are recognised when the control of the use rights of parking spaces and properties is transferred to and accepted by customer and is billable immediately.

3. ACCOUNTING POLICIES (CONTINUED)

Leases

(a) The Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group except for short-term leases, which are recognised on a straight-line basis over the lease term as an expense.

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

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

The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is periodically reduced by any impairment loss and adjusted for certain remeasurements of lease liability.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. It is subsequently measured at amortised cost under effective interest method and adjusted for certain remeasurement. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate, which is generally the case. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all of the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the terms of the relevant lease.

The lease receivable under lease arrangements are recognised as "other receivables" in the consolidated statement of financial position.

Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the period in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk, foreign exchange risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The board of directors reviews and approves policies for managing each of these risks and they are summarised below.

4.1.1 Fair value interest rate risk

The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. Lease liabilities exposes the Group to fair value interest rate risk. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

Other than cash and cash equivalents and the Group has no other significant interest bearing assets. The directors of the Company do not anticipate there is any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of the interest-bearing assets are not expected to change significantly.

As at 31 December 2025 and 2024, the Group has no floating-interests-rate interest bearing liabilities.

4.1.2 Credit risk

The Group is exposed to credit risk mainly in relation to its trade and note receivables, other receivables, restricted bank deposits and cash and cash equivalents. The carrying amounts of trade and note receivables, other receivables, restricted bank deposits and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Cash in banks

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

(ii) Trade and note receivables, current assets

The Group has a large number of customers and there was no concentration of credit risk. Credit risk mainly arises from credit exposure from property owners and third-party non-property owner customers, and related party customers. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period based on historical settlements records and experience and adjusts for forward-looking information, to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group applies both the simplified approach and the general approach to provide for expected credit losses as required by HKFRS 9, which permits the use of a lifetime expected loss provision for all trade and note receivables. Under the simplified approach, expected credit losses are measured by grouping trade and note receivables based on shared credit risk characteristics and aging. Under the general approach, expected credit losses are measured based on changes in the credit quality of each trade or note receivable since initial recognition, together with the estimated expected economic loss for the receivable. The measurement of expected credit losses under both approaches also incorporates forward-looking information.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

(iii) Other receivables

Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience and adjusts for forward-looking information, to ensure that adequate impairment losses are made for irrecoverable amounts.

Forward-looking information incorporated in the expected credit loss model

The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportable forward-looking information. Especially the following indicators are incorporated:

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

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade and note receivables and contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12-month ECL
Watch list	The debtor repays frequently, and usually full settlement was received after the maturity date	Lifetime ECL — not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating that the debtor is in financial difficulty and no settlement was received after the maturity date	Lifetime ECL — credit impaired	Lifetime ECL — credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

The table below details the credit risk exposures of the Group's financial and contract assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	
					2025 RMB'000	2024 RMB'000
Financial assets at amortised cost						
Trade and note receivables	23	—	(Note)	Lifetime ECL (not credit impaired and provision matrix)	897,790	1,251,422
Other receivables	25	—	Loss	Lifetime ECL (credit impaired)	920,994	494,915
			Low risk	12-month ECL	64,040	486,852
Contract assets	24	—	Doubtful	Lifetime ECL (not credit impaired)	1,733	112,847
			Loss	Lifetime ECL (credit impaired)	578,587	40,641
Cash and cash equivalents and restricted bank deposits	26	AAA to AA+	Low risk	Lifetime ECL (not credit impaired)	4,558	4,727
			Low risk	12-month ECL (assessed individually)	712,062	780,505

Note: For trade and note receivables, and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors which were credit-impaired (whose expected credit losses are assessed individually), the Group determines the expected credit losses on these items grouped by past due status for trade receivables.

The Group uses debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Based on the Group's assessment of historical credit loss experience of the existing debtors and all available forward-looking information, including but not limited to the expected economic conditions in the PRC and expected subsequent settlements, the Group does not consider that default occurs for those contractual payments that are more than 90 days past due.

The Group used estimated loss rates based on aging for classes with different credit risk characteristics and exposures, and the estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

As at 31 December 2025 and 2024, the loss allowance of trade and note receivables (not credit impaired) based on collective impairment assessment was determined as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade and note receivables due from related parties					
At 31 December 2024					
Expected loss rate	14.85%	34.21%	54.45%	87.25%	44.70%
Gross carrying amount (RMB'000)	48,631	49,985	61,522	32,357	192,495
Loss allowance provision (RMB'000)	7,222	17,098	33,501	28,230	86,051
At 31 December 2025					
Expected loss rate	—	—	—	—	—
Gross carrying amount (RMB'000)	—	—	—	—	—
Loss allowance provision (RMB'000)	—	—	—	—	—

As at 31 December 2025 and 2024, the loss allowance of trade and note receivables (not credit impaired) based on collective impairment assessment was determined as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade and note receivables due from third parties					
At 31 December 2024					
Expected loss rate	17.56%	39.74%	60.32%	76.61%	37.02%
Gross carrying amount (RMB'000)	476,491	291,044	187,763	103,629	1,058,927
Loss allowance provision (RMB'000)	83,695	115,675	113,258	79,387	392,015
At 31 December 2025					
Expected loss rate	12.16%	27.28%	43.58%	100.00%	33.12%
Gross carrying amount (RMB'000)	454,491	188,562	113,637	141,100	897,790
Loss allowance provision (RMB'000)	55,252	51,447	49,525	141,100	297,324

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

As at 31 December 2025 and 2024, the loss allowance of trade and note receivables (credit impaired) was determined as follows:

	Expected loss rate	2025 Gross carrying amount RMB'000	Loss allowance provision RMB'000	Expected loss rate	2024 Gross carrying amount RMB'000	Loss allowance provision RMB'000
Trade and note receivables due from related parties	89.17%	633,441	564,835	46.48%	494,915	230,030
Trade and note receivables due from third parties	97.70%	287,553	280,950	—	—	—

Movements in loss allowance of trade and note receivables are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	708,096	482,304
Impairment loss recognised for the year	525,578	246,852
Write-off	(90,565)	(21,060)
At the end of the year	1,143,109	708,096

The loss allowance was measured at an amount equal to lifetime expected credit losses for trade and note receivables. The changes in the loss allowance was mainly due to the additional loss allowance on property management service contracts at the reporting date under the expected credit loss model during the year.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

As at 31 December 2025 and 2024, the loss allowance of other receivables (excluding prepayments) (not credit impaired) was determined as follows:

	Expected loss rate	2025 Gross carrying amount RMB'000	Loss allowance provision RMB'000	Expected loss rate	2024 Gross carrying amount RMB'000	Loss allowance provision RMB'000
Other receivables due from related parties	1.16%	86	1	26.36%	469,048	123,648
Other receivables due from third parties	6.22%	65,687	4,085	13.61%	130,651	17,782
Total		65,773	4,086		599,699	141,430

As at 31 December 2025 and 2024, the loss allowance of other receivables (excluding prepayments) (credit impaired) was determined as follows:

	Expected loss rate	2025 Gross carrying amount RMB'000	Loss allowance provision RMB'000	Expected loss rate	2024 Gross carrying amount RMB'000	Loss allowance provision RMB'000
Other receivables due from related parties	88.91%	504,939	448,950	61.19%	39,695	24,290
Other receivables due from third parties	73.76%	73,648	54,327	61.63%	946	583
Total		578,587	503,277		40,641	24,873

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

Movements of the provision for impairment loss on other receivables are as follows:

	12-month ECL RMB'000	Lifetime ECL — not credit impaired RMB'000	Lifetime ECL — credit impaired RMB'000	Total RMB'000
Balance as at 1 January 2024	105,172	35,328	19,805	160,305
Transfer to lifetime ECL not credit-impaired/credit-impaired	(11,100)	10,180	920	—
Net remeasurement of loss allowance	(22,890)	5,065	1,466	(16,359)
New financial assets originated	12,963	6,712	3,854	23,529
Written off	—	—	(1,172)	(1,172)
Balance as at 31 December 2024 and 1 January 2025	84,145	57,285	24,873	166,303
Transfer to lifetime ECL not credit-impaired/credit-impaired	(79,654)	(42,547)	122,201	—
Net remeasurement of loss allowance	(3,063)	(14,272)	262,736	245,401
New financial assets originated	1,755	437	97,200	99,392
Written off	—	—	(3,733)	(3,733)
Balance as at 31 December 2025	3,183	903	503,277	507,363

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

	Trade and note receivables			Other receivables (excluding prepayments)			
	Due from related parties RMB'000	Due from third parties RMB'000	Total RMB'000	Due from related parties RMB'000	Due from third parties RMB'000	Total RMB'000	Total RMB'000
At 1 January 2024	237,386	244,918	482,304	143,584	16,721	160,305	642,609
Provision for/(reversal of provision for) loss allowance recognised in profit or loss	78,695	168,157	246,852	4,616	2,554	7,170	254,022
Loss allowance write-off	—	(21,060)	(21,060)	(262)	(910)	(1,172)	(22,232)
At 31 December 2024 and 1 January 2025	316,081	392,015	708,096	147,938	18,365	166,303	874,399
Provision for/(reversal of provision for) loss allowance recognised in profit or loss	248,754	276,824	525,578	301,013	43,781	344,794	870,372
Loss allowance write-off	—	(90,565)	(90,565)	—	(3,734)	(3,734)	(94,299)
At 31 December 2025	564,835	578,274	1,143,109	448,951	58,412	507,363	1,650,472

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, the failure of a debtor to engage in a repayment plan with the Group.

As at 31 December 2025, the gross amount of trade and note receivables and other receivables (excluding prepayments) was RMB2,463,144,000 (2024: RMB2,386,677,000), and the maximum exposure to loss was RMB812,672,000 (2024: RMB1,512,278,000).

4.1.3 Foreign exchange risk

The Group's businesses are principally conducted in RMB, which is the functional currency of the group companies. Foreign currency transactions mainly represents payment of dividend which is dominated in HKD. As at 31 December 2025 and 2024, major non-RMB monetary assets are cash and cash equivalents denominated in HKD. Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. The Group currently does not have a foreign currency hedging policy, and manage its foreign currency risk by closely monitoring the movement of foreign currency rate.

The Group's cash and bank balances exposed to foreign currency risk at the end of the reporting period represented HKD, expressed in RMB, was as follow:

	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	224	341

The aggregate net foreign exchange losses recognised in profit or loss were:

	2025 RMB'000	2024 RMB'000
Net foreign exchange losses included in other losses	371	863

The following table shows the sensitivity analysis of a 5% change in RMB against HKD and USD. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% appreciation/depreciation in RMB against the relevant currencies, the effect on the profit for the year is as follows:

	2025 RMB'000	2024 RMB'000
5% increase in RMB against HKD and USD	(11)	(17)
5% decrease in RMB against HKD and USD	11	17

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

4.1.4 Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Contractual maturities of financial liabilities At 31 December 2025					
Trade and other payables (excluding payroll and welfare payables and other tax payables)	1,278,234	1,352	—	5,744	1,285,330
Lease liabilities	2,260	1,850	1,893	—	6,003
	1,280,494	3,202	1,893	5,744	1,291,333
Contractual maturities of financial liabilities At 31 December 2024					
Trade and other payables (excluding payroll and welfare payables and other tax payables)	1,210,926	3,696	—	6,010	1,220,632
Lease liabilities	1,832	1,726	2,779	—	6,337
	1,212,758	5,422	2,779	6,010	1,226,969

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt (including lease liabilities) less cash and cash equivalents.

As at 31 December 2025 and 2024 and the gearing ratio of the Group is as follows:

	2025 RMB'000	2024 RMB'000
Lease liabilities	5,442	5,611
Less: cash and cash equivalents	(693,805)	(761,144)
Net cash	(688,363)	(755,533)
Total equity	750,110	2,136,615

The Group's gearing ratio was not applicable as of 31 December 2025 and 2024 due to a net cash position.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Loss allowance assessment of trade and note receivables

The Group makes allowance on trade and note receivables based on assumptions about risk of default and expected loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculations, based on the Group's historical observed default rates, financial position, ageing profile of receivable balances, and other factors, and taking into account of current market conditions and forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and note receivables and net impairment losses on financial assets in the periods in which such estimate has been changed. For details of the key assumptions and inputs used, see Note 4.1.2 above.

(b) Loss allowance assessment of other receivables (excluding prepayments)

The Group makes loss allowance on other receivables (excluding prepayments) based on an assessment of 12-month and the lifetime expected credit losses, including an assessment of the risk of default and the expected loss rate. In performing the assessment, management considered the credit quality of debtors by considering their historical observed default rates, financial position and other factors, and taking into account of current market conditions and forward looking estimates at the end of each reporting period.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

- (c) Impairment assessment of property management contracts and customer relationships, and goodwill

The Group tests whether property management contracts and customer relationships, and goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 3, where the recoverable amounts of the CGU is determined based on value-in-use (the “VIU”) calculations. Which is assessed to be higher than fair value less costs of disposal. These calculations require the use of estimates. Details of impairment assessment, key assumptions and impact of possible changes in key assumptions are disclosed in Note 19.

- (d) Estimation of the useful life of property management contracts and customer relationships identified in business combinations

The directors determined the useful life of property management contracts with reference to the term of outstanding contract and the useful life of customer relationship with reference to each existing contract based on contract expiring dates, historical trend of termination or renewal rate, experience in the property management industry and to the useful life of customer relationship used by industry peers. However, the actual useful life may be shorter or longer than estimate depending on acquirees’ ability to secure its contracts and relationships with property developers or renew the contracts with property owners’ associations in the future. Where the actual useful life is different from the original estimate, such difference will impact the carrying amount of these intangible assets and the amortisation expenses in the periods in which such estimate has been changed.

- (e) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgment is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

- (f) Net realisable value of inventories

The directors determined the cost of inventories is written down to NRV when the cost of inventories is not recoverable. The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. When the NRV of an item of inventory is less than the carrying amount, the excess is written off immediately in the profit or loss. The management’s review and estimation of the NRV is primarily based on the ageing, conditions and marketability of the inventories. The Group carried out the inventory review at the end of the reporting period and made the necessary allowance on obsolete and slow moving items so as to write off or write down inventories to their NRVs.

- (g) Going concern basis

The directors of the Company consider that the Group has the ability to continue as a going concern. The assessment of the going concern assumption, as disclosed in note 2, involves making judgments by the directors of the Company, at a particular point of the time, about the future outcome of events or conditions which are inherently uncertain. These include the implementation of cost controls, monitoring of collection of receivables and negotiating with suppliers to extend credit terms.

6. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of the Company. During the years ended 31 December 2025 and 2024, the Group is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners in the PRC. Management reviews the operating results of the business by geography, but these operating segments are aggregated into a single operating segment as the nature of services, the type of customers for services, the methods used to provide their services and the nature of regulatory environment is same in different regions.

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

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

7. REVENUE AND COST OF SALES AND SERVICES

Revenue mainly comprises of proceeds from property management services, community value-added services and value-added services to non-property owners. An analysis of the Group’s revenue and cost of sales by category for the years ended 31 December 2025 and 2024 is as follows:

	2025		2024	
	Revenue RMB’000	Cost of sales and services RMB’000	Revenue RMB’000	Cost of sales and services RMB’000
Type of goods or services				
Property management services				
a) Property management services on residential properties and other non-commercial properties	1,710,356	1,590,920	1,729,286	1,467,519
b) Property management services on commercial properties	328,244	291,147	353,721	294,066
Community value-added services	477,850	502,044	489,250	337,273
Value-added services to non-property owners	207,708	181,479	267,772	223,891
	2,724,158	2,565,590	2,840,029	2,322,749
Timing of revenue recognition				
Over time	2,458,935	2,173,938	2,566,825	2,088,497
Point in time	167,536	320,982	179,749	166,619
	2,626,471	2,494,920	2,746,574	2,255,116
Revenue from other sources				
Rental income	97,687	70,670	93,455	67,633

For the year ended 31 December 2025, revenue from entities controlled by Sino-Ocean Group, joint ventures and associates of Sino-Ocean Group and the shareholder of ultimate holding company of the Group (“These Customers”) contributed 7% (2024: 9%) of the Group’s revenue. Other than These Customers, the Group has a large number of customers, none of whom contributed approximately 10% or more of the Group’s revenue during the years ended 31 December 2025 and 2024.

7. REVENUE AND COST OF SALES AND SERVICES (CONTINUED)

7.1 Contract liabilities

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

	2025 RMB'000	2024 RMB'000
Contract liabilities		
— Related parties (Note 35(d))	21,837	12,923
— Third parties	452,856	481,194
	474,693	494,117

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. The Group recognises revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value to the customer of the Group's performance completed to date. The Group bills the amount for services provided on a monthly or quarterly basis, or pre-charges service fee on a yearly basis. The decrease in contract liabilities was mainly due to the less advance payments made by customers.

(ii) Revenue recognised in relation to contract liabilities

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

	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	348,903	368,537
— Community value-added services	110,643	105,136
— Value-added services to non-property owners	11,557	16,394
	471,103	490,067

(iii) Unsatisfied performance obligations

For property management services, community value-added services and value-added services to non-property owners, the Group recognises revenue in the amount that equals to the right to invoice which correspond directly with the value to the customer of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations that were unsatisfied or partially unsatisfied as of the end of the year for these types of contracts.

7. REVENUE AND COST OF SALES AND SERVICES (CONTINUED)

7.1 Contract liabilities (Continued)

(iii) Unsatisfied performance obligations (Continued)

For sales of parking spaces, properties, consumables and merchandises, included in community value-added services and value-added services to non-property owners, the performance obligation is satisfied when control of the asset is transferred to the customers. The payment is due immediately when the customer obtains the physical possession and/or the legal title of the parking spaces, properties, consumables and goods. There were no remaining performance obligations unsatisfied or partially satisfied as of 31 December 2025 and 2024.

(iv) Assets recognised from incremental cost to obtain a contract

For the years ended 31 December 2025 and 2024, no significant incremental cost was incurred to obtain a contract.

8. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants (note)	9,347	13,473
Interest income from bank deposits	2,607	4,152
Written off of account payables	625	1,036
Others	1,820	1,550
	14,399	20,211

Note:

Government grants mainly represented financial support funds from local government.

9. OTHER LOSSES

	2025 RMB'000	2024 RMB'000
Loss on disposal of property, plant and equipment	(53)	(95)
Loss on disposal of investment property	—	(1,057)
Loss on disposal of a subsidiary	—	(719)
Loss arising from the Transaction (note)	(207,107)	—
Net foreign exchange losses	(371)	(863)
Others	—	(5)
	(207,531)	(2,739)

Note:

It represents the losses derived from the transaction (the "Transaction") in relation to the return of parking spaces by the Group to Sino-Ocean Group Company (the holding company and a controlling shareholder of the Company) and its subsidiaries, details of which are disclosed in the announcement and circular of the Company dated 16 July 2025 and 15 October 2025 respectively. The losses were determined based on the estimated realizable value of the parking spaces, with reference to the fair value of the guaranteed loan that the Group (as a lender) would grant to Sino-Ocean Group Company's designated subsidiary (as a borrower) for the purpose of settling the consideration for the return of parking spaces by the Group to Sino-Ocean Group.

10. EXPENSES BY NATURE

	2025 RMB'000	2024 RMB'000
Employee benefit expenses (Note 11)	901,274	871,281
Outsourced security, greening and cleaning expenses	854,462	856,041
Maintenance expenses and utilities	491,951	438,963
Cost of consumables and construction materials	27,292	30,147
Cost of merchandises sold	73,875	75,451
Cost of selling parking spaces and properties	28,574	17,009
Net impairment losses on inventories	165,208	23,003
Sub-contract expenses for home improvement and property agency services	14,774	22,935
Office-related expenses	86,976	85,205
Depreciation and amortisation charges (Notes 17,18,19,20)	60,315	58,183
Community activities expenses	25,539	20,981
Taxes and surcharges	13,708	14,618
Auditors' remuneration		
— Audit services	2,830	2,830
— Non-audit services	1,186	950
Others	81,716	54,736
	2,829,680	2,572,333

11. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS)

	2025 RMB'000	2024 RMB'000
Wages and salaries	688,849	670,659
Pension costs (note (a))	87,059	85,280
Housing funds, medical insurances and other social insurances	84,856	74,893
Other employee benefits (note (b))	40,510	40,449
	901,274	871,281

11.EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS) (CONTINUED)

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

There is no mechanism for using forfeited contributions (by employers on behalf of employees who leave the pension plans prior to vesting fully in such contributions) to reduce the Group's level of contributions to the defined contribution pension plans and no forfeited contributions were used to reduce the Group's level of contributions for the year ended 31 December 2025 (2024: Nil).

- (b) Other employee benefits mainly include meal, traveling and festival allowances.
(c) Five highest paid individuals

For the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group include 3 directors (2024: 2), whose emoluments are reflected in the analysis shown in Note 39. The emoluments payable to the remaining 2 individuals (2024: 3 individuals) during the year are as follow:

	2025 RMB'000	2024 RMB'000
Wages and salaries	1,533	2,224
Bonuses	726	1,411
Pension costs	137	188
Housing allowances, other allowances and benefits in kind	182	265
	2,578	4,088

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands (in HKD)		
1,000,001–1,500,000	2	2
1,500,001–2,000,000	—	1
	2	3

- (d) During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for losses of office.

12. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expense for lease liabilities	506	586

13. SUBSIDIARIES

The Group's principal subsidiaries as at 31 December 2025 and 2024 are set out below. Unless otherwise stated, the proportion of ownership interests held equals to the voting rights held by the Group.

	Name of company	Place of incorporation/ kind of legal entity	Principal activities and place of operation	Issued/paid-in capital (in thousand)	Attributable equity interest of the Group		Ownership interest held by non-controlling interests	
					2025	2024	2025	2024
(1)	Harvest Team Global Limited	BVI, Limited Company	Investment holding in BVI	USD—**	100%	100%	—	—
(2)	Park Star Global Limited	BVI, Limited Company	Investment holding in BVI	USD—**	100%	100%	—	—
(3)	Super Lucky Investment Limited	Hong Kong, Limited Company	Investment holding in Hong Kong	HKD—***	100%	100%	—	—
(4)	Talent Bright Creation Limited	Hong Kong, Limited Company	Investment holding in Hong Kong	HKD—***	100%	100%	—	—
(5)	北京遠環榮達企業管理服務 有限公司	The PRC, Limited Liability Company	Investment holding in the PRC	RMB558,900	100%	100%	—	—
(6)	北京遠環瑞達企業管理服務 有限公司	The PRC, Limited Liability Company	Investment holding in the PRC	RMB226,900	100%	100%	—	—
(7)	北京卓遠瑞通企業管理服務 有限公司	The PRC, Limited Liability Company	Investment holding in the PRC	RMB558,700	100%	100%	—	—
(8)	北京卓遠瑞合企業管理服務 有限公司	The PRC, Limited Liability Company	Investment holding in the PRC	RMB226,700	100%	100%	—	—
(9)	遠洋億家物業服務股份有限 公司 ("Ocean Homeplus")	The PRC, Limited Liability Company	Property management in the PRC	RMB704,000	100%	100%	—	—
(10)	中遠酒店物業管理有限公司	The PRC, Limited Liability Company	Property management in the PRC	RMB12,667	100%	100%	—	—
(11)	大連遠洋基業物業管理有限 公司	The PRC, Limited Liability Company	Property management in the PRC	RMB5,000	100%	100%	—	—
(12)	中山遠洋物業服務有限公司	The PRC, Limited Liability Company	Property management in the PRC	RMB3,000	100%	100%	—	—

13. SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ kind of legal entity	Principal activities and place of operation	Issued/paid-in capital (in thousand)	Attributable equity interest of the Group		Ownership interest held by non-controlling interests	
				2025	2024	2025	2024
(13) 北京億洋時代樓宇科技有限 公司	The PRC, Limited Liability Company	Repair and maintenance services in the PRC	RMB8,000	100%	100%	—	—
(14) 山東聯泰物業服務有限公司 ("Shandong Liantai")	The PRC, Limited Liability Company	Property management in the PRC	RMB5,000	80%	80%	20%	20%
(15) 遠洋億家物業服務南通有限 公司 ("Ocean Nantong")	The PRC, Limited Liability Company	Property management in the PRC	RMB3,000	60%	60%	40%	40%
(16) 杭州遠洋新時代物業管理 有限公司 ("Hangzhou New Era")	The PRC, Limited Liability Company	Property management in the PRC	RMB3,000	60%	60%	40%	40%
(17) 湖南遠洋億家相成物業管理 有限公司 ("Xiangcheng Wuye")	The PRC, Limited Liability Company	Property management in the PRC	RMB5,000	60%	60%	40%	40%
(18) 億雲智慧(北京)信息技術 發展有限公司	The PRC, Limited Liability Company	Information technology service in the PRC	RMB—****	100%	100%	—	—
(19) 廣東遠淘物業服務有限公司	The PRC, Limited Liability Company	Property management in the PRC	RMB2,000	51%	51%	49%	49%
(20) 鄭州遠鑫物業服務有限公司	The PRC, Limited Liability Company	Property management in the PRC	RMB—****	100%	100%	—	—
(21) 平潭億暉企業諮詢有限公司	The PRC, Limited Liability Company	Commercial operational services in the PRC	RMB—****	100%	100%	—	—

13. SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ kind of legal entity	Principal activities and place of operation	Issued/paid-in capital (in thousand)	Attributable equity interest of the Group		Ownership interest held by non-controlling interests	
				2025	2024	2025	2024
(22) 平潭億博企業諮詢有限公司	The PRC, Limited Liability Company	Commercial operational services in the PRC	RMB—****	100%	100%	—	—
(23) 浙江遠甄物業管理有限公司 ("Zhejiang Yuanou")	The PRC, Limited Liability Company	Property management in the PRC	RMB6,675	80%	80%	20%	20%
(24) 河南遠洋和諧物業服務有限 公司("Henan Hexie")	The PRC, Limited Liability Company	Property management in the PRC	RMB10,000	51%	51%	49%	49%
(25) 天津熙合供應鏈服務有限 公司("Tianjin Xihe")	The PRC, Limited Liability Company	Property management in the PRC	RMB—****	100%	100%	—	—
(26) 北京頤景融德企業管理諮詢 有限公司	The PRC, Limited Liability Company	Leasing and commercial services in the PRC	RMB—****	100%	100%	—	—
(27) 上海遠擇物業管理有限公司 ("Shanghai Far Choice")	The PRC, Limited Liability Company	Property management in the PRC	RMB5,000	100%	100%	—	—
(28) 福州遠擇品唯物業服務有限 公司	The PRC, Limited Liability Company	Property management in the PRC	RMB5,000	60%	60%	40%	40%
(29) 湖南紅星品唯物業服務有限 公司	The PRC, Limited Liability Company	Property management in the PRC	RMB—****	80%	80%	20%	20%

13. SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ kind of legal entity	Principal activities and place of operation	Issued/paid-in capital (in thousand)	Attributable equity interest of the Group		Ownership interest held by non-controlling interests	
				2025	2024	2025	2024
(30) 瀋陽遠擇星輝物業管理有限公司	The PRC, Limited Liability Company	Property management in the PRC	RMB5,100	100%	100%	—	—
(31) 天津遠擇星馳物業管理有限公司	The PRC, Limited Liability Company	Community services, repair and other services in the PRC	RMB5,100	100%	100%	—	—
(32) 烏魯木齊遠擇星馳物業服務有限公司	The PRC, Limited Liability Company	Community services, repair and other services in the PRC	RMB—****	100%	100%	—	—
(33) 蘇州遠擇品唯物業管理有限公司	The PRC, Limited Liability Company	Property management in the PRC	RMB5,000	100%	100%	—	—
(34) 遠洋機電設備技術發展有限公司 ("Sino-Ocean Mechatronics")	The PRC, Limited Liability Company	Property engineering services in the PRC	RMB—****	100%	100%	—	—

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

** Less than USD1,000.

*** Less than HKD1,000.

**** Less than RMB1,000.

(a) As at 31 December 2025, the total non-controlling interests are RMB25,075,000 (2024: RMB40,348,000). No subsidiaries have non-controlling interests that are individually material to the Group.

14. INVESTMENTS IN JOINT VENTURES

Set out below are the joint ventures of the Group as at 31 December 2025 and 2024 which, in the opinion of the directors, are not individually material to the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of company	Place of business/country of incorporation	% of ownership interest As of 31 December		Nature of relationship	Measurement method	Net carrying amount As of 31 December	
		2025	2024			2025	2024
		RMB'000	RMB'000			RMB'000	RMB'000
Beijing Best Technology Service Co., Ltd. 北京百思得科技服務有限公司 (“Beijing Best”) (note (i))	Cleaning services in Beijing, PRC	30%	30%	Joint venture	Equity method	23,661	22,452
Beijing Indigo Property Service Co., Ltd. 北京頤堤港物業服務有限公司 (“Beijing Indigo”)	Property management in Beijing, PRC	50%	50%	Joint venture	Equity method	6,337	27,496
Chongqing Tengji Property management Co., Ltd. 重慶騰基物業管理有限公司 (“Chongqing Tengji”) (note (i))	Property management in Chongqing, PRC	49%	49%	Joint venture	Equity method	2,928	n/a

* The English names of the joint ventures represent the best efforts made by the management of the Group in translating their Chinese names as they do not have official English names.

Note:

(i) Although the Group holds less than 50% of the equity interests of these entities, according to the Articles of Association of these entities, the Group exercises joint control with the counterparties in the strategic financial and operating decisions of these entities. Accordingly, these entities are accounted for as joint ventures of the Group.

14. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The movement in investments in joint ventures in the consolidated statement of financial position is as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	49,948	50,592
Share of profit/(loss) from investments in joint ventures	1,978	(644)
Dividend received from a joint venture	(19,000)	—
At end of year	32,926	49,948

As of 31 December 2025 and 2024, there were no significant contingent liabilities or commitments relating to the Group's investments in the joint ventures. The summarised financial information of the individually immaterial joint ventures on an aggregate basis is as follows:

	2025 RMB'000	2024 RMB'000
Net carrying amounts in the consolidated financial statements	32,926	49,948
Share of results	1,978	(644)
Share of total comprehensive income	1,978	(644)

15. INCOME TAX CREDIT

This note provides an analysis of the Group's income tax credit and shows how the tax credit is affected by non-assessable and non-deductible items.

	2025 RMB'000	2024 RMB'000
Current income tax		
— PRC corporate income tax — current tax	37,495	73,723
— PRC corporate income tax — under/(over) provision in prior years (note (c))	52,745	(951)
— PRC land appreciation tax expense/(credit)	29	(55)
Deferred income tax (Note 31)		
— origination and reversal of temporary difference	(213,761)	(40,733)
— change in tax rate	(7,340)	(45,245)
	(130,832)	(13,261)

15. INCOME TAX CREDIT (CONTINUED)

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to (loss)/profit of the consolidated entities as follows:

	2025 RMB'000	2024 RMB'000
(Loss)/Profit before income tax	(1,515,685)	15,329
Tax calculated at a tax rate of 25%	(378,921)	3,832
Tax effects of:		
Share of results on joint ventures	(495)	161
Higher tax rate for the appreciation of land in the PRC	23	(44)
Expenses not deductible for tax purposes	90,069	3,516
Effect on opening deferred tax assets or liabilities resulting from change in applicable tax rate	(7,340)	(45,245)
Write down of deferred income tax assets	22,844	20,667
Tax losses and deductible temporary difference not recognised	75,510	8,418
Under/(Over) provision in prior years	52,745	(951)
Utilisation of tax loss previously not recognised	(257)	(1,310)
Differences in tax rate	15,468	(2,404)
Others	(478)	99
Income tax credit	(130,832)	(13,261)

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) Hong Kong Profits tax

No provision for Hong Kong Profits tax was made as the Group did not have assessable income subject to Hong Kong profits tax for the years ended 31 December 2025 and 2024.

(c) PRC corporate income tax

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable income for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in the PRC is 25%. Certain subsidiaries of the Group in the PRC are High-New Technology Enterprise ("HNTE") and they are subject to a preferential income tax rate of 15%. The qualification as a HNTE is subject to renewal by the relevant tax authority in the PRC for every three years. One of the subsidiaries was not qualified as HNTE for the year ended 31 December 2024 and was subject to general corporate income tax rate of 25% since the year ended 31 December 2024.

During the year ended 31 December 2025, the Group was notified by the relevant tax authority in the PRC in respect of cancellation of the HNTE qualification of its subsidiaries for the prior years. Accordingly, these subsidiaries have made tax payments of approximately RMB60 million for the prior years and recognised as under-provision of income tax expense in profit or loss for the year ended 31 December 2025. These subsidiaries are subject to general corporate income tax rate of 25% since the year ended 31 December 2025.

Certain subsidiaries of the Group in the PRC are qualified as small and micro businesses and enjoy preferential income tax rate of 5%.

15. INCOME TAX CREDIT (CONTINUED)

(d) PRC land appreciation tax (“LAT”)

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

(e) PRC withholding income tax

According to the Corporate Income Tax Law of the PRC, starting from 1 January 2008, a 10% withholding tax is levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

Gain on disposal of an investment in the PRC by overseas holding companies and intra-group charges to the PRC subsidiaries by overseas subsidiaries may also be subject to withholding tax of 10%.

16. (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
(Loss)/Profit attributable to owners of the Company used in the basic (loss)/earnings per share calculation (RMB'000)	(1,371,232)	28,915
Weighted average number of ordinary shares in issue (in thousands)	1,184,000	1,184,000
Basic and diluted earnings per share for (loss)/profit attributable to the owners of the Company during the year (expressed in RMB per share)	(1.158)	0.024

For the years ended 31 December 2025 and 2024, diluted (loss)/earnings per share equals to the basic (loss)/earnings per share as there were no dilutive potential ordinary shares.

17. INVESTMENT PROPERTIES

	Commercial properties and office buildings RMB'000 (Note (i))	Parking spaces RMB'000 (Note (ii))	Total RMB'000
COST			
At 1 January 2024	41,829	28,821	70,650
Additions	—	908	908
Transfer from property, plant and equipment	74,187	—	74,187
Disposals	(41,829)	—	(41,829)
At 31 December 2024, 1 January 2025 and 31 December 2025	74,187	29,729	103,916
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 1 January 2024	9,118	—	9,118
Provided for the year	2,210	1,487	3,697
Transfer from property, plant and equipment	6,973	—	6,973
Disposals	(10,717)	—	(10,717)
Impairment	5,375	—	5,375
At 31 December 2024 and 1 January 2025	12,959	1,487	14,446
Provided for the year	3,438	1,486	4,924
Impairment	16,252	—	16,252
At 31 December 2025	32,649	2,973	35,622
CARRYING VALUES			
At 31 December 2025	41,538	26,756	68,294
At 31 December 2024	61,228	28,242	89,470

17. INVESTMENT PROPERTIES (CONTINUED)

Amounts recognised in profit or loss for investment properties

	2025 RMB'000	2024 RMB'000
Rental income	2,261	2,479
Direct operating expenses	(4,924)	(3,697)

The investment properties are leased to independent third parties. The investment properties are situated on land in PRC. The Group's investment properties were valued by independent firm of professional property valuer not related to the Group.

Notes:

- (i) The fair value of office buildings as at 31 December 2025 was approximately RMB42,253,000 (2024: RMB62,100,000). The fair value was determined with reference to recent market prices of similar properties as observable input. The recoverable amount was based on the fair value less cost of disposal, which amounted to approximately RMB41,538,000 (2024: RMB61,228,000). At the end of reporting period, an impairment loss of RMB16,252,000 (2024: RMB5,375,000) was recognised as the office properties market in PRC was deteriorated due to the weak economy during the year ended 31 December 2025.

The fair value of office buildings are determined based on the market observable comparable prices of similar properties ranging from RMB8,490 to RMB11,040 per sq. feet (2024: from RMB1,222 to RMB13,283), and adjusted by taking into account, mainly location, size, floor, view and year of completion. The higher the price, the higher the fair value. The fair value is based on observable inputs other than unadjusted quoted price and corroborated by observable market data, and is therefore under level 2 hierarchy. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

- (ii) The fair value of the parking spaces as at 31 December 2025 was approximately RMB28,948,000. The fair value was determined with reference to recent market prices of similar parking spaces as observable input. At the end of reporting period, no impairment of the carpark is considered.

The fair value of the parking spaces are determined based on the market approach by reflecting recent transaction prices of similar parking spaces ranging from RMB144,000 to RMB152,000 per each parking space, and adjusted by taking into account, mainly location, zoning and permitted land use, accessibility, size and surrounding. Due to relevant market comparable information became available in the market, the directors of the Company considered that market comparable approach is more appropriate for the valuation of car parks as at 31 December 2025 as there are relatively more market available data in respect of recent transaction prices for similar properties. The valuation technique is changed from income method to market approach during the year. The higher the price, the higher the fair value. The fair value is based on observable inputs other than unadjusted quoted price and corroborated by observable market data, and is therefore under level 2 hierarchy.

The fair value less cost of disposal of the parking spaces as at 31 December 2024 was RMB28,950,000. The fair value was determined by management, with reference to recent rental market of similar parking spaces as observable input. The fair value is based on observable inputs other than unadjusted quoted price and corroborated by observable market data, and is therefore under level 2 hierarchy. At the end of reporting period, no impairment of the carpark is considered. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings RMB'000	Office and operating equipment RMB'000	Vehicles RMB'000	Leasehold improvement RMB'000	Total RMB'000
COST					
At 1 January 2024	88,034	57,299	4,444	23,927	173,704
Additions	—	2,995	106	8,096	11,197
Transfer to investment property	(74,187)	—	—	—	(74,187)
Disposals	—	(3,192)	(49)	(7,820)	(11,061)
At 31 December 2024 and 1 January 2025	13,847	57,102	4,501	24,203	99,653
Additions	—	2,959	47	3,229	6,235
Disposals	—	(7,829)	(128)	(6,314)	(14,271)
At 31 December 2025	13,847	52,232	4,420	21,118	91,617
ACCUMULATED DEPRECIATION					
At 1 January 2024	5,301	41,655	2,822	19,194	68,972
Provided for the year	3,777	5,451	530	3,993	13,751
Transfer to investment property	(6,973)	—	—	—	(6,973)
Disposals	—	(3,027)	(41)	(7,515)	(10,583)
At 31 December 2024 and 1 January 2025	2,105	44,079	3,311	15,672	65,167
Provided for the year	686	4,952	493	4,741	10,872
Disposals	—	(7,668)	(126)	(4,480)	(12,274)
At 31 December 2025	2,791	41,363	3,678	15,933	63,765
CARRYING VALUES					
At 31 December 2025	11,056	10,869	742	5,185	27,852
At 31 December 2024	11,742	13,023	1,190	8,531	34,486

As at 31 December 2025, leasehold land and buildings with remaining lease period of 15 to 16 years (2024: 16 to 17 years) and net carrying amount of RMB11,056,000 (2024: RMB11,742,000) include both leasehold land and building elements of properties. The consideration paid by the Group for the acquisition of these properties could not be allocated reliably between the non-lease building element and undivided interest in the underlying leasehold land, hence the balances of the entire properties are classified as property, plant and equipment. The buildings are situated in the PRC and are for own use under medium-term lease. No property, plant and equipment is restricted or pledged as security for liabilities as at 31 December 2025 and 2024.

Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	2025 RMB'000	2024 RMB'000
Cost of sales and services	8,874	10,242
Administrative expenses	1,998	3,509
	10,872	13,751

19. INTANGIBLE ASSETS

	Computer software RMB'000	Trademark RMB'000	Property management contracts RMB'000	Customer relationships RMB'000	Goodwill (note (b)) RMB'000	Total RMB'000
COST						
At 1 January 2024	43,817	2,975	86,423	190,632	462,379	786,226
Additions	14,435	—	—	—	—	14,435
Written-off	(859)	—	—	—	—	(859)
At 31 December 2024 and 1 January 2025	57,393	2,975	86,423	190,632	462,379	799,802
Additions	72	—	—	—	—	72
Written-off	(4,827)	—	—	—	—	(4,827)
At 31 December 2025	52,638	2,975	86,423	190,632	462,379	795,047
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 January 2024	16,239	1,317	31,992	31,080	6,622	87,250
Provided for the year	6,802	229	9,246	19,069	—	35,346
Written-off	(859)	—	—	—	—	(859)
Impairment	—	—	—	—	9,212	9,212
At 31 December 2024 and 1 January 2025	22,182	1,546	41,238	50,149	15,834	130,949
Provided for the year	9,716	1,429	9,246	21,050	—	41,441
Written-off	(4,827)	—	—	—	—	(4,827)
Impairment	—	—	—	—	331,879	331,879
At 31 December 2025	27,071	2,975	50,484	71,199	347,713	499,442
CARRYING VALUES						
At 31 December 2025	25,567	—	35,939	119,433	114,666	295,605
At 31 December 2024	35,211	1,429	45,185	140,483	446,545	668,853

Amortisation of intangible assets has been charged to the following categories in the consolidated statement of comprehensive income:

	2025 RMB'000	2024 RMB'000
Cost of sales and services	645	470
Administrative expenses	40,796	34,876
	41,441	35,346

- (a) No intangible assets are restricted or pledged as security for liabilities as at 31 December 2025 and 2024.
(b) Goodwill arising from acquisition of subsidiaries.

19. INTANGIBLE ASSETS (CONTINUED)

	2025 RMB'000	2024 RMB'000
Tianjin Xihe	87,831	352,435
Zhejiang Yuanou	—	37,828
Xiangcheng Wuye	8,016	18,124
Shandong Liantai	—	19,339
Henan Hexie	17,312	17,312
Hangzhou New Era	1,048	1,048
Ocean Nantong	459	459
	114,666	446,545
Other intangible assets	180,939	222,308
	295,605	668,853

As at 31 December 2025, the management performed impairment assessments on the goodwill. The recoverable amounts of the CGUs of the property management business operated by Tianjin Xihe, Zhejiang Yuanou, Xiangcheng Wuye, Shandong Liantai and Henan Hexie have been assessed by an independent valuer, Cushman & Wakefield, and determined based on the VIU calculations. The VIU calculations used cash flow projections based on financial budgets covering a five-year periods approved by the management.

The following table sets forth each key assumption at 31 December 2025, used in assessing the recoverable amounts of the CGUs in the property management business that have significant goodwill.

	Tianjin Xihe	Zhejiang Yuanou	Xiangcheng Wuye	Shandong Liantai	Henan Hexie
Revenue 2026 (% annual growth rate)	-6.4%	-25.2%	-9.2%	-20.8%	17.6%
Revenue 2027 (% annual growth rate)	1.2%	2.5%	2.0%	1.7%	4.8%
Revenue 2028 to 2030 (average % annual growth rate)	1.1%	2.5%	2.0%	2.5%	5.4%
Gross margin (average % of revenue)	18.3%	7.9%	15.0%	2.7%	25.2%
Pre-tax discount rate	17.0%	16.9%	16.1%	15.8%	16.1%
Selling and marketing expenses (% growth rate)	-10.6%–3.0%	3.0%–9.4%	0.0%	-5.0%–10.0%	2.4%–24.4%
Administrative expenses (% growth rate)	1.0%–5.5%	-0.3%–193.8%	-1.8%–5%	-4.2%–11.3%	3.1%–10.1%
Terminal cash flow growth rate	2.0%	2.0%	2.0%	2.0%	2.0%

19. INTANGIBLE ASSETS (CONTINUED)

The following table sets forth each key assumption at 31 December 2024, used in assessing the recoverable amounts of the CGUs in the property management business that have significant goodwill.

	Tianjin Xihe	Zhejiang Yuanou	Xiangcheng Wuye	Shandong Liantai	Henan Hexie
Revenue 2025					
(% annual growth rate)	5.0%	5.0%	21.8%	0.4%	5.9%
Revenue 2026					
(% annual growth rate)	3.4%	3.0%	3.0%	2.9%	9.7%
Revenue 2027 to 2029 (average					
% annual growth rate)	3.1%	3.0%	3.0%	2.9%	3.4%
Gross margin (average % of					
revenue)	24.6%	11.8%	14.8%	7.5%	29.1%
Pre-tax discount rate	16.9%	17.0%	16.1%	15.8%	16.3%
Selling and marketing expenses					
(% growth rate)	2.0%–24.8%	3.0%	0%	-5.0%–2.0%	-18.8%–22.8%
Administrative expenses					
(% growth rate)	5.0%–18.9%	0.3%–31.0%	-0.8–4.3%	-7.6%–3.1%	-0.1%–10.8%
Terminal cash flow growth rate	2.0%	2.0%	2.0%	2.0%	2.0%

By reference to the recoverable amount of RMB174,597,000 assessed by the independent valuer based on VIU calculation as at 31 December 2025, the directors of the Company determined that RMB331,879,000 of impairment provision on goodwill arising from acquisition of Tianjin Xihe, Zhejiang Yuanou, Xiangcheng Wuye and Shandong Liantai was required as at 31 December 2025.

By reference to the recoverable amount of RMB39,094,000 assessed by the independent valuer based on VIU calculation as at 31 December 2024, the directors of the Company determined that RMB9,212,000 of impairment provision on goodwill arising from acquisition of Xiangcheng Wuye was required as at 31 December 2024.

As at 31 December 2025, the recoverable amounts of RMB48,047,000 (2024: RMB752,029,000) of the remaining CGUs in the property management business with significant goodwill estimated based on VIU calculations exceeded their aggregate carrying amounts of RMB40,085,000 (2024: RMB652,552,000) by approximately RMB7,962,000 (2024: RMB99,477,000). The directors of the Company determined that no impairment provision on goodwill arising on other acquisition was required as at 31 December 2025 accordingly.

19. INTANGIBLE ASSETS (CONTINUED)

Details of the headroom attributable to the CGUs in the property management business with significant goodwill as at 31 December 2025 and 2024 are set out as follows:

	2025 RMB'000	2024 RMB'000
Tianjin Xihe	n/a*	35,049
Zhejiang Yuanou	n/a*	4,092
Xiangcheng Wuye	n/a*	n/a*
Shandong Liantai	n/a*	805
Henan Hexie	7,963	59,531
	7,963	99,477

* As impairment loss has been recognised for these CGUs, no headroom is attributable to Tianjin Xihe, Zhejiang Yuanou, Xiangcheng Wuye and Shandong Liantai CGUs (2024: Xiangcheng Wuye CGU). Accordingly, no sensitivity analysis is performed.

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth the reasonably possible changes to the key assumptions of the impairment test and the changes taken in isolation in the VIU calculations that would remove the remaining headroom respectively as at 31 December 2025 and 2024.

	Tianjin Xihe	Zhejiang Yuanou	Xiangcheng Wuye	Shandong Liantai	Henan Hexie
As at 31 December 2025					
Annual revenue growth rate	n/a*	n/a*	n/a*	n/a*	-3.9%
Pre-tax discount rate	n/a*	n/a*	n/a*	n/a*	+2.9%
As at 31 December 2024					
Annual revenue growth rate	-1.8%	-1.7%	n/a*	-0.7%	-20.4%
Pre-tax discount rate	+0.8%	+0.7%	n/a*	+0.3%	+20.2%

* By reference to the recoverable amount assessed by the independent valuer as at 31 December 2025, the directors of the Company determined that an impairment provision of RMB331,879,000 on goodwill allocated to Tianjin Xihe, Zhejiang Yuanou, Xiangcheng Wuye and Shandong Liantai CGUs was recognised for the year ended 31 December 2025 (2024: RMB9,212,000 on goodwill allocated to Xiangcheng Wuye CGU). As impairment loss has been recognised for these CGUs, any adverse change to key assumptions will result in additional impairment. Accordingly, no sensitivity analysis is performed.

20. LEASES

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position includes the following carrying amounts relating to leases:

Right-of-use assets	Buildings RMB'000	Parking lots RMB'000	Total RMB'000
COST			
At 1 January 2024	19,458	7,550	27,008
Additions	1,100	2,829	3,929
Termination of lease	(16,222)	(3,800)	(20,022)
At 31 December 2024 and 1 January 2025	4,336	6,579	10,915
Additions	4,167	1,025	5,192
Termination of lease	(4,075)	(2,263)	(6,338)
At 31 December 2025	4,428	5,341	9,769
ACCUMULATED DEPRECIATION			
At 1 January 2024	10,850	5,252	16,102
Provided for the year	3,595	1,794	5,389
Termination of lease	(12,675)	(3,839)	(16,514)
At 31 December 2024 and 1 January 2025	1,770	3,207	4,977
Provided for the year	1,261	1,817	3,078
Termination of lease	(1,173)	(2,263)	(3,436)
At 31 December 2025	1,858	2,761	4,619
CARRYING VALUES			
At 31 December 2025	2,570	2,580	5,150
At 31 December 2024	2,566	3,372	5,938
		2025	2024
		RMB'000	RMB'000
Lease liabilities			
Current		1,969	1,521
Non-current		3,473	4,090
		5,442	5,611

20. LEASES (CONTINUED)

- (b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets		
Buildings	1,261	3,595
Parking lots	1,817	1,794
	3,078	5,389
Interest expense (Note 12)	506	586

- (c) Amounts recognised in the consolidated statement of cash flows

	2025 RMB'000	2024 RMB'000
Cash flows from financing activities		
Payments of interest element of lease liabilities	506	586
Payments of principal element of lease liabilities	2,459	2,476
	2,965	3,062

- (d) The Group's leasing activities and how these are accounted for:

The Group leases various offices and parking lots. Rental contracts are typically made for fixed periods of 2 to 10 years.

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

21. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at amortised cost		
Trade and note receivables	675,675	1,038,241
Other receivables (excluding prepayments)	136,997	474,037
Restricted bank deposits	18,257	19,361
Cash and cash equivalents	693,805	761,144
	1,524,734	2,292,783
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables (excluding other tax payable)	1,350,892	1,292,625
Lease liabilities	5,442	5,611
	1,356,334	1,298,236

22. INVENTORIES

	2025 RMB'000	2024 RMB'000
Parking spaces	168,095	492,883
Properties held for sale	43,080	120,802
Consumables and merchandises	332	484
	211,507	614,169

23. TRADE AND NOTE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables		
— Related parties (Note 35(d))	633,441	687,410
— Third parties	1,184,843	1,058,713
	1,818,284	1,746,123
Note receivables		
— Third parties	500	214
Less: allowance for impairment of trade and note receivables	(1,143,109)	(708,096)
Total	675,675	1,038,241

Trade and note receivables mainly represented the receivables of outstanding property management services income and the receivables of value-added services income.

Property management services income and value-added services income are received in accordance with the terms of the relevant services agreements, and due for payment upon the issuance of demand notes.

In determining the recoverability of trade and note receivables from the property management and value-added services, the Group takes into consideration a number of factors, including, among others, historical write-off experience and historical management/service fee collection rate of the customers in estimating the future cash flows from the receivables.

As at 31 December 2025 and 2024, the ageing analysis of the trade and note receivables based on the invoice date, were as follows:

	2025			2024		
	Due from related parties RMB'000	Due from third parties RMB'000	Total RMB'000	Due from related parties RMB'000	Due from third parties RMB'000	Total RMB'000
0–90 days	35,426	179,941	215,367	44,302	179,944	224,246
91–180 days	19,491	119,856	139,347	37,206	115,525	152,731
181–365 days	34,774	179,249	214,023	68,254	181,023	249,277
1–2 years	93,546	252,243	345,789	219,401	291,044	510,445
2–3 years	178,203	227,580	405,783	225,489	187,763	413,252
Over 3 years	272,001	226,474	498,475	92,758	103,628	196,386
Total	633,441	1,185,343	1,818,784	687,410	1,058,927	1,746,337

The Group provides for expected credit losses as prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB1,143,109,000 (2024: RMB708,096,000) was provided against the gross amounts of trade and note receivables (Note 4.1.2).

As at 31 December 2025 and 2024, the trade and note receivables were denominated in RMB, and the fair value of trade and note receivables approximated their carrying amounts.

24.CONTRACT ASSETS

	2025 RMB'000	2024 RMB'000
Contract assets		
Engineering services	4,558	4,727

Contract assets, net of contract liability related to the same contract, is recognised over the period in which the engineering services are performed, representing the Group's right to consideration for the services performed and not billed because the rights are conditional on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers its contract assets to trade receivables when invoice is issued.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The Group applies the simplified approach to provide the ECL prescribed by HKFRS 9. Impairment loss was immaterial as at 31 December 2025 and 2024.

25.PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepayments to suppliers		
— Related parties (Note 35(d))	1,410	1,333
— Third parties	26,018	29,395
	27,428	30,728
Other receivables		
— Related parties (Note 35(d))	505,025	508,743
— Payments on behalf of property owners	60,565	69,756
— Deposit	25,552	24,550
— Others	53,218	37,291
	644,360	640,340
Less: allowance for impairment of other receivables	(507,363)	(166,303)
	136,997	474,037
Prepaid tax	22,921	17,866
Total	187,346	522,631

As at 31 December 2025, the Group hold collaterals with net realisable value of RMB41,042,000 (2024: RMB43,982,000) over the other receivables of RMB86,722,000 (2024: RMB89,748,000).

26. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash on hand	1	26
Bank deposits (note (a))	712,061	780,479
	712,062	780,505
Less: Restricted bank deposits (note (b))	(18,257)	(19,361)
Cash and cash equivalents	693,805	761,144

Note:

(a) Cash on hand were all denominated in RMB, and cash at bank were denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	711,837	780,138
HKD	224	341
	712,061	780,479

(b) As at 31 December 2025 and 2024, the restricted bank balances are frozen bank accounts due to legal cases.

27. SHARE CAPITAL

The Company was incorporated in the Cayman Islands on 15 April 2020. As at 31 December 2025, the issued shares was 1,184,000,000 (2024: 1,184,000,000) shares of a par value of HKD0.1 each.

	Number of shares '000 shares	Amount HKD'000	RMB'000
Issued and fully paid:			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	1,184,000	118,400	99,829

28. STATUTORY RESERVE

In accordance with relevant rules and regulations in the PRC and the company's article of association, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

29. OTHER RESERVE

Other reserve mainly includes capital injection, deemed distribution and contribution from the ultimate holding company.

30. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables		
— Related parties (Note 35(d))	38,039	42,225
— Third parties	842,174	772,873
	880,213	815,098
Other payables		
— Related parties (Note 35(d))	17,579	15,544
— Deposit	147,032	166,909
— Amounts collected on behalf of property owner	195,116	180,182
— Consideration payable for acquisition of a subsidiary	—	8,580
— Others	44,070	32,999
	403,797	404,214
Dividends payables		
— Non-controlling shareholders	1,320	1,320
Accrued payroll and welfare payables	65,562	71,993
Other tax payables	4,413	8,537
	69,975	80,530
Less: non-current portion	(7,096)	(9,706)
Total	1,348,209	1,291,456

As at 31 December 2025 and 2024, the carrying amounts of trade and other payables approximated their fair values. The average credit period on trade payables is 90 days.

As at 31 December 2025 and 2024, ageing analysis of trade payables at the reporting date, based on the invoice dates, is stated as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	688,664	630,142
1–2 years	78,238	63,977
2–3 years	29,908	58,042
Over 3 years	83,403	62,937
Total	880,213	815,098

31.DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2025 RMB'000	2024 RMB'000
Deferred tax assets:		
— Deferred tax asset to be realised after more than 12 months	427,691	213,855
— Deferred tax asset to be realised within 12 months	44	252
	427,735	214,107
Deferred tax liabilities:		
— Deferred tax liability to be settled after more than 12 months	(32,375)	(39,236)
— Deferred tax liability to be settled within 12 months	(6,226)	(6,838)
	(38,601)	(46,074)
	389,134	168,033

The movement in deferred income tax assets and liabilities during the years of 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

	Deferred tax assets — allowance on doubtful debts RMB'000	Deferred tax assets — accrued expenses RMB'000	Deferred tax assets — right-of-use assets and lease liabilities RMB'000	Deferred tax assets — inventories RMB'000	Deferred tax assets — tax losses RMB'000	Deferred tax impairment of investment properties RMB'000	Deferred tax liabilities — fair value adjustment arising from business combination RMB'000	Total RMB'000
As at 1 January 2024	109,071	2,650	303	31,345	—	1,626	(62,940)	82,055
Credited/(charged) to income tax in profit or loss	60,694	(2,650)	(51)	20,354	1,075	(282)	6,838	85,978
As at 31 December 2024	169,765	—	252	51,699	1,075	1,344	(56,102)	168,033
As at 1 January 2025	169,765	—	252	51,699	1,075	1,344	(56,102)	168,033
Credited/(charged) to income tax in profit or loss	166,876	—	(208)	30,970	12,034	4,063	7,366	221,101
As at 31 December 2025	336,641	—	44	82,669	13,109	5,407	(48,736)	389,134

At the end of the reporting period, the Group has unused tax losses of approximately RMB120,160,000 (2024: RMB50,536,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB52,437,000 (2024: RMB7,168,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses as it is not probable that taxable profit will be available against which these tax losses can be utilised. These unrecognised tax losses will expire in various dates up to year 2030 (2024: year 2029).

As at 31 December 2025, deferred income tax liabilities have not been recognised for the withholding tax that would be payable upon remittance, in respect of the unremitted distributable profits of certain PRC subsidiaries and joint ventures amounting to RMB267,102,000 (2024: RMB888,522,000) and RMB10,176,000 (2024: RMB29,198,000) respectively attributable to the investors outside the PRC as such profits are intended to be reinvested in the PRC.

32. DIVIDENDS

	2025 RMB'000	2024 RMB'000
2024 Final dividend paid of RMB Nil (2023: RMB0.0144) per ordinary share	—	17,050
2025 Interim dividend paid of RMB Nil (2024: RMB0.0125) per ordinary share	—	14,800
Dividends paid for the year	—	31,850

During the year ended 31 December 2024, the Company declared and paid dividends with aggregated amounts of RMB31,850,000 to the Company's shareholders.

On 25 March 2026, the Company has proposed a final dividend of RMB12,669,000 (i.e. RMB0.0107) per ordinary share for year ended 31 December 2025.

33. NOTES SUPPORTING THE STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents comprise:

	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	693,805	761,144

(b) Reconciliation of liabilities arising from financing activities:

	Lease liabilities (Note 20) RMB'000
As at 1 January 2024	7,666
Addition of lease liabilities	3,929
Termination of lease	(3,508)
Accrued interest expenses	586
Cash flows	(3,062)
As at 31 December 2024	5,611
As at 1 January 2025	5,611
Addition of lease liabilities	5,192
Termination of lease	(2,902)
Accrued interest expenses	506
Cash flows	(2,965)
As at 31 December 2025	5,442

34.COMMITMENTS

The future aggregate future lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	2,261	1,421
Between 1 and 2 years	3,087	1,421
	5,348	2,842

35.RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

	Name	Relationship
(1)	Sino-Ocean Group Company	Ultimate holding company
(2)	Dajia Insurance Group Company Limited	Shareholder of the ultimate holding company of the Company
(3)	Shine Wind	Immediate holding company
(4)	Beijing Best	Joint venture

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

Save as disclosed elsewhere, the following is a summary of significant related party balances and transactions entered into in the ordinary course of business between the Group and its related parties during the years ended 31 December 2025 and 2024:

	2025 RMB'000	2024 RMB'000
Provision of goods and services		
— A joint venture	—	1,005
— Entities controlled by the ultimate holding company	82,700	130,142
— Entities over which the ultimate holding company has significant influence and joint control	115,814	124,471
— A shareholder of the ultimate holding company of the Company	566	3,334
	199,080	258,952
Purchase of goods and services		
— A joint venture	57,562	86,957
— Entities controlled by the ultimate holding company	31,413	18,799
— Entities over which the ultimate holding company has significant influence and joint control	26,356	1,561
— A shareholder of the ultimate holding company of the Company	4,396	3,443
	119,727	110,760
Additional recognition of right-of-use assets		
— Entities controlled by the ultimate holding company	278	—
— Entities over which the ultimate holding company has significant influence and joint control	820	632
	1,098	632
Lease liabilities interest expenses		
— Entities controlled by the ultimate holding company	19	—
— Entities over which the ultimate holding company has significant influence and joint control	121	71
	140	71
Rental expenses		
— Entities controlled by the ultimate holding company	16,041	9,928
— Entities over which the ultimate holding company has significant influence and joint control	1,986	2,345
	18,027	12,273

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management compensation

	2025 RMB'000	2024 RMB'000
Salaries, bonuses and other benefits	9,850	10,015

(d) Balances with related parties

	Gross carrying amount 2025 RMB'000	Net carrying amount 2025 RMB'000	Gross carrying amount 2024 RMB'000	Net carrying amount 2024 RMB'000
Trade and note receivables				
— Entities controlled by the ultimate holding company	464,369	50,343	494,915	264,885
— Entities over which the ultimate holding company has significant influence and joint control	169,072	18,263	192,004	106,026
— A shareholder of the ultimate holding company of the Company	—	—	491	418
	633,441	68,606	687,410	371,329
Other receivables				
— Entities controlled by the ultimate holding company	312,712	34,945	282,753	188,161
— Entities over which the ultimate holding company has significant influence and joint control	192,227	21,044	225,985	172,639
— A shareholder of the ultimate holding company of the Company	86	85	5	5
	505,025	56,074	508,743	360,805

35.RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Balances with related parties (Continued)

	2025 RMB'000	2024 RMB'000
Prepayments		
— A joint venture	322	967
— Entities controlled by the ultimate holding company	198	198
— Entities over which the ultimate holding company has significant influence and joint control	733	—
— A shareholder of the ultimate holding company of the Company	157	168
	1,410	1,333
Trade payables		
— A joint venture	13,413	34,617
— Entities controlled by the ultimate holding company	14,808	5,673
— Entities over which the ultimate holding company has significant influence and joint control	9,744	1,528
— A shareholder of the ultimate holding company of the Company	74	407
	38,039	42,225
Other payables		
— Entities controlled by the ultimate holding company	10,412	8,523
— Entities over which the ultimate holding company has significant influence and joint control	5,625	5,440
— A shareholder of the ultimate holding company of the Company	1,542	1,581
	17,579	15,544
Contract liabilities		
— A joint venture	9	—
— Entities controlled by the ultimate holding company	8,821	5,688
— Entities over which the ultimate holding company has significant influence and joint control	13,007	7,235
	21,837	12,923
Lease liabilities		
— Entities controlled by the ultimate holding company	274	—
— Entities over which the ultimate holding company has significant influence and joint control	1,588	1,051
	1,862	1,051

36. DISPOSAL OF A SUBSIDIARY

In March 2024, the Group has signed an agreement with an independent third party for the disposal of a subsidiary 西安紅星輝物業管理有限公司. The net assets of 西安紅星輝物業管理有限公司 at the date of disposal and related loss and cash flows on disposal were as follows:

	RMB'000
Analysis of assets and liabilities over which control was lost:	
Trade and other receivables	1,653
Cash and cash equivalents	1
Trade and other payables	(244)
Net assets disposed of	1,410

	RMB'000
Loss on disposal of a subsidiary:	
Consideration received and receivable	*
Net assets disposed of	1,410
Non-controlling interests	(691)
Loss on disposal	719

	RMB'000
Net cash outflow on disposal	
Cash consideration (Note)	*
Less: cash and cash equivalents disposed of	(1)
	(1)

Note: the cash consideration is RMB1.

* Less than RMB1,000.

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Assets		
Non-current assets		
Investments in subsidiaries	—*	—*
Prepayment and other receivables	597,495	1,162,962
Total non-current assets	597,495	1,162,962
Current assets		
Prepayments and other receivables	443	711
Cash and cash equivalents	3,640	3,510
Total current assets	4,083	4,221
Total assets	601,578	1,167,183
Equity		
Share capital (note 27)	99,829	99,829
Reserves (note (a))	1,138,550	1,138,550
Accumulated losses (note (a))	(638,427)	(72,863)
Total equity	599,952	1,165,516
Liabilities		
Current liabilities		
Other payables	1,626	1,667
Total liabilities	1,626	1,667
Total equity and liabilities	601,578	1,167,183

* Less than RMB1,000

The statement of financial position of the Company was approved and authorised for issue by the board of directors on 25 March 2026 and was signed on its behalf by:

Yang Deyong
Executive Director

Zhu Geying
Executive Director

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

a. Reserve movement of the Company

	Accumulated losses RMB'000	Other reserves RMB'000
As at 1 January 2024	(67,471)	1,170,400
Loss for the year	(5,392)	—
Dividends	—	(31,850)
As at 31 December 2024 and 1 January 2025	(72,863)	1,138,550
Loss for the year	(565,564)	—
As at 31 December 2025	(638,427)	1,138,550

38. BENEFITS AND INTEREST OF DIRECTORS

a. Directors' emoluments

The remuneration of every director and the chief executive of the Company for the year ended 31 December 2025 is set forth below:

Emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking

	Salaries RMB'000	Bonuses RMB'000	Fees RMB'000	Housing allowance RMB'000	Contributions to a retirement benefit scheme RMB'000	Other allowance and benefit in kind RMB'000	Total RMB'000
<i>Executive Directors</i>							
Yang Deyong (Joint Chairman) (i)	1,350	800	—	34	68	53	2,305
Zhu Geying (Chief Financial Officer)	747	413	—	34	68	57	1,319
HOU Min (Chief Executive Officer) (ii)	716	634	—	21	35	27	1,433
<i>Non-Executive Directors</i>							
Cui Hongjie (Joint Chairman)	—	—	—	—	—	—	—
Zhai Senlin (iii)	—	—	—	—	—	—	—
Hou Min (ii)	—	—	—	—	—	—	—
<i>Independent Non-Executive Directors</i>							
Guo Jie	—	—	539	—	—	—	539
Ho Chi Kin Sammy	—	—	539	—	—	—	539
Leung Wai Hung	—	—	539	—	—	—	539
	2,813	1,847	1,617	89	171	137	6,674

38. BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

a. Directors' emoluments (Continued)

The remuneration of every director and the chief executive of the Company for the year ended 31 December 2024 is set forth below:

Emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking							
	Salaries	Bonuses	Fees	Housing	Contributions	Other	Total
	RMB'000	RMB'000	RMB'000	allowance	to a retirement	allowance	
				RMB'000	benefit	and benefit	
					scheme	in kind	
					RMB'000	RMB'000	RMB'000
<i>Executive Directors</i>							
Yang Deyong (Chief Executive Officer and Joint Chairman)	1,475	775	—	33	66	44	2,393
Zhu Geying	720	504	—	33	66	58	1,381
<i>Non-Executive Directors</i>							
Cui Hongjie (Joint Chairman)	—	—	—	—	—	—	—
Zhu Xiaoxing (iv)	—	—	—	—	—	—	—
Hou Min (ii)	—	—	—	—	—	—	—
<i>Independent Non-Executive Directors</i>							
Guo Jie	—	—	563	—	—	—	563
Ho Chi Kin Sammy	—	—	563	—	—	—	563
Leung Wai Hung	—	—	563	—	—	—	563
	2,195	1,279	1,689	66	132	102	5,463

Notes:

- (i) In March 2025, Mr. Yang Deyong ceased to serve as chief executive officer of the Company.
- (ii) In April 2024, Mr. Hou Min appointed as non-executive director of the Company. In March 2025, Mr. Hou Min re-designated from non-executive director to executive director and appointed as chief executive officer of the Company.
- (iii) In April 2025, Mr. Zhai Senlin appointed as non-executive director of the Company.
- (iv) In April 2024, Mr. Zhu Xiaoxing resigned as non-executive director of the Company.
- (b) There were no retirement benefits paid to or receivable by directors during the year ended 31 December 2025 by defined contribution pension plans (2024: nil).
- (c) There were no director's termination benefits subsisted during the year ended 31 December 2025 (2024: nil).
- (d) There was no consideration provided to third parties for making available directors' services subsisted during the year ended 31 December 2025 (2024: nil).
- (e) During the year ended 31 December 2025, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors of the Company or of any its holding companies, or bodies corporate controlled by and entities connected with such directors (2024: nil).
- (f) During the year ended 31 December 2025, there were no significant transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had interests, whether directly or indirectly, subsisted at the end of the year ended 31 December 2024 or at any time during the year ended 31 December 2025 (2024: nil).
- (g) During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the above directors as an inducement to join or upon joining the Group or as compensation for losses of office.

39.SUBSEQUENT EVENT

On 25 March 2026, Ocean Homeplus Property Service Corporation Limited* (遠洋億家物業服務股份有限公司) (“Ocean Homeplus”, a wholly-owned subsidiary of the Company) and Beijing Yuanxin Asset Management Co., Ltd.* (北京遠新資產管理有限公司) (“Beijing Yuanxin”, a wholly-owned subsidiary of Sino-Ocean Group Company) entered into a parking space asset acquisition agreement in relation to the acquisition by Ocean Homeplus of 191 parking spaces in the PRC from Beijing Yuanxin (the “Asset Transfer”).

The aggregate consideration payable by Ocean Homeplus to Beijing Yuanxin for the Asset Transfer is RMB31,333,400, which shall be fully settled by way of set-off against the refundable deposit receivables due from Beijing Yuanxin to Ocean Homeplus in the amount of RMB31,333,400 under an agreement dated 14 October 2022 (as amended and supplemented from time to time) entered into between the Company (on behalf of each member of the Group) and Sino-Ocean Group Company (on behalf of each member of Sino-Ocean Group Company and its associates (collectively the “Sino-Ocean Connected Persons”) in relation to the grant of exclusive sales rights by the Sino-Ocean Connected Person(s) to the Group and the provision of exclusive sales agency services by the Group to the Sino-Ocean Connected Person(s) with respect to certain parking space(s) developed or held by the Sino-Ocean Connected Person(s).

The Asset Transfer has not been completed as of the date of this report.

Details of the Asset Transfer are disclosed in the announcement of the Company dated 25 March 2026.

FIVE-YEAR FINANCIAL SUMMARY

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000 (Restated)	2021 RMB'000 (Restated)
Revenue	2,724,158	2,840,029	3,133,209	3,330,136	3,066,561
Gross profit	158,568	517,280	597,739	772,685	827,251
Profit attributable to owners of the Company	(1,371,232)	28,915	42,148	75,745	437,458
Total assets	2,648,710	4,023,075	4,039,180	4,260,387	4,027,840
Total liabilities	1,898,600	1,886,460	1,893,470	1,952,129	1,538,643
Equity attributable to owners of the Company	725,035	2,096,267	2,099,197	2,257,158	2,457,352
Total equity	750,110	2,136,615	2,145,710	2,308,258	2,489,197

GLOSSARY

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

“2025 ESG Report”	the ESG report of the Company for the year ended 31 December 2025
“AGM”	the annual general meeting of the Company
“Articles”	the amended and restated articles of association of the Company
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Board Committees”	the Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chief Executive Officer”	the chief executive officer of the Company
“China” or “PRC”	the People’s Republic of China
“Code of Conduct”	the code of conduct regarding Directors’ securities transactions adopted by the Company
“Company” or “Sino-Ocean Service”	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677)
“Company Secretary”	the company secretary of the Company
“Deed of Non-competition”	the deed of non-competition dated 30 November 2020 executed by the controlling Shareholders in favor of the Company (for itself and as trustee for each member of the Group), details of which are set forth in the paragraphs headed “NON-COMPETITION UNDERTAKING” in the section of “RELATIONSHIP WITH CONTROLLING SHAREHOLDERS” in the Prospectus
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company
“ESG”	environmental, social and governance
“Executive Director(s)”	the executive Director(s)
“GFA”	gross floor area
“Group” or “we”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Non-executive Director(s)”	the independent non-executive Director(s)

“Joint Chairmen”	the joint chairmen of the Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“Non-executive Director(s)”	the non-executive Director(s)
“Ocean Homeplus”	Ocean Homeplus Property Service Corporation Limited* (遠洋億家物業服務股份有限公司), a company established under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Prospectus”	the prospectus of the Company dated 7 December 2020
“Remuneration Committee”	the remuneration committee of the Company
“Risk Management Department”	the risk management department of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Registrar”	the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited
“Share(s)”	the ordinary share(s) of the Company with a nominal value of HKD0.10 each
“Shareholder(s)”	the shareholder(s) of the Company
“Shine Wind”	Shine Wind Development Limited (耀勝發展有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of Sino-Ocean Group Company and a controlling Shareholder
“Sino-Ocean Connected Persons”	Sino-Ocean Group Company and its associates, excluding, for the avoidance of doubt, the Group
“Sino-Ocean Group”	Sino-Ocean Group Company and its subsidiaries
“Sino-Ocean Group Company”	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377), which is the holding company of the Company and a controlling Shareholder
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States
“YoY”	year-on-year
“%”	per cent

Note:

In this annual report, English names of the PRC entities marked “*” are translations of their Chinese names for identification purpose only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.

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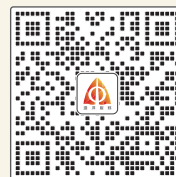
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