

ROISERV 榮萬家

Roiserv Lifestyle Services Co., Ltd.

榮萬家生活服務股份有限公司

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

Stock Code: 2146

The graphic features a large teal arch at the top containing the text '2025 Annual Report'. Below the arch is a horizontal band with colorful illustrations of buildings, trees, and a person pushing a stroller. Further down, another band shows a woman walking, a person recycling, and a person on a bicycle. The bottom of the graphic is framed by a large orange arch. The entire design is decorated with various colorful geometric shapes like circles, triangles, and stars, as well as icons of a sun, clouds, and birds.

2025
Annual Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Qiuyun (*Chairman*)
(*appointed on October 21, 2025*)
Mr. Geng Jianfu (*resigned on September 18, 2025*)
Ms. Liu Hongxia
Mr. Long Xiaokang

Non-executive Director

Mr. Zhang Wenge

Independent Non-executive Directors

Mr. Jin Wenhui
Mr. Xu Shaohong Alex
Mr. Tang Yishu

SUPERVISORY COMMITTEE (Cancelled on October 21, 2025)

Mr. Jing Zhonghua (*Chairman*)
(*resigned on October 21, 2025*)
Ms. Dong Hui (*resigned on October 21, 2025*)
Ms. Wu Xiyi (*resigned on October 21, 2025*)
Mr. Yang Xi (*resigned on October 21, 2025*)
Mr. Zhang Yuanpeng (*resigned on October 21, 2025*)

AUDIT COMMITTEE

Mr. Xu Shaohong Alex (*Chairman*)
Mr. Zhang Wenge
Mr. Jin Wenhui

REMUNERATION COMMITTEE

Mr. Tang Yishu (*Chairman*)
Mr. Geng Jianfu (*resigned on September 18, 2025*)
Mr. Wu Qiuyun (*appointed on October 21, 2025*)
Mr. Jin Wenhui

NOMINATION COMMITTEE

Mr. Wu Qiuyun (*Chairman*)
(*appointed on October 21, 2025*)
Mr. Geng Jianfu (*resigned on September 18, 2025*)
Ms. Liu Hongxia (*appointed on June 27, 2025*)
Mr. Jin Wenhui (*appointed on June 27, 2025*)
Mr. Xu Shaohong Alex
Mr. Tang Yishu

JOINT COMPANY SECRETARIES

Mr. Long Xiaokang
Mr. Diao Shaolong

AUTHORISED REPRESENTATIVES

Mr. Long Xiaokang
Mr. Diao Shaolong

AUDITOR

ShineWing Certified Public Accountants LLP
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
9/F, Block A, Fu Hua Mansion
No. 8 Chaoyangmen Beidajie
Dongcheng District
Beijing

LEGAL ADVISOR

Tian Yuan Law Firm LLP (as to Hong Kong laws)

REGISTERED OFFICE IN THE PRC

Office Building No. 9, Pingan Street
South Xia'an Highway
Xianghe County Development Zone
Langfang
Hebei Province
PRC

HEADQUARTERS IN THE PRC

81 Xiangyun Road
Economic and Technological Development Area, Langfang
Hebei Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18/F, China Building
29 Queen's Road Central
Central
Hong Kong

H SHARE REGISTRAR

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

PRINCIPAL BANKS

Agricultural Bank of China Co., Ltd. Langfang Development
Zone Branch

INVESTOR RELATIONS

Office of the Board
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Telephone: (86) 0316-5766562

WEBSITE

www.roiserv.com

STOCK CODE

2146

FINANCIAL HIGHLIGHTS

For the year ended December 31,

(Audited)	2025	2024	Change in percentage
Results Summary			
Revenue (RMB'000)	1,912,959	1,956,932	-2.2%
Gross profit (RMB'000)	408,080	415,699	-1.8%
Net profit for the year (RMB'000)	121,016	116,082	4.2%
Gross profit margin (%)	21.3%	21.2%	0.1 percentage point
Basic earnings per share (RMB)	0.30	0.30	0.0%

As at December 31,

(Audited)	2025	2024	Change in percentage
Balance Sheet Summary			
Total assets (RMB'000)	4,310,070	4,174,097	3.3%
Cash and cash equivalents (RMB'000)	508,741	553,715	-8.1%
Total liabilities (RMB'000)	1,979,778	1,966,171	0.7%
Total equity (RMB'000)	2,330,292	2,207,927	5.5%
Equity attributable to owners of the Company (RMB'000)	2,301,729	2,188,012	5.2%
Current ratio (times)	2.0	1.9	5.3%
Liabilities to assets ratio (%)	45.9%	47.1%	-1.2 percentage point

MAJOR HONORS AND AWARDS IN 2025

In April 2025, Roiserv was honored with the title of 2025 Best Employer in China Property Management Industry



In April 2025, Roiserv was honored with the title of 2025 China Leading Companies in Property Management Service Satisfaction



In April 2025, Roiserv was honored with the title of 2025 Top 30 Branded Property Management Companies in North China



In May 2025, Roiserv was honored with the title of 2025 Top 10 China Excellent Property Management Company by ESG Development



HONORS AND AWARDS

In May 2025, Roiserv ranked 13th of 2025 Top 100 Property Management Companies in China



In May 2025, Roiserv was honored with the title of 2025 Top 100 Brand Influential Property Management Companies in China



In May 2025, Roiserv ranked 17th of 2025 Top 20 Listed Companies of China Property Management with Service



In May 2025, Roiserv was honored with the title of 2025 Top 20 Companies in Residential Property Service



In May 2025, Roiserv was honored with the title of 2025 Leading Property Management Companies of China in Quality Service



In May 2025, Roiserv was honored with the title of 2025 Leading Companies of China in Property Service Satisfaction



In May 2025, Roiserv was honored with the title of 2025 Top 30 Property Management Companies in North China



In May 2025, Roiserv was awarded the 2025 Model Projects of Property Management Service in China – Huangshan Jinpen Bay



HONORS AND AWARDS

In May 2025, Roiserv was awarded the 2025 Model Projects of Property Management Service in China – Nanjing Wenmo Huayuan



In December 2025, Roiserv was awarded the 2025 Leading Companies of China in Excellent Service of Residential Property



In December 2025, Roiserv was awarded the 2025 Model Projects of Property Management Service in China – Hebei Langfang Siji Huayu



In December 2025, Roiserv was awarded the 2025 Model Projects of Property Management Service in China – Jiangsu Nanjing Xianglin Shuizhu



In December 2025, Roiserv was awarded the 2025 Model Projects of Property Management Service in China – Hebei Cangzhou Jinxiu Xuefu



In December 2025, Roiserv was honored with the title of 2025 Top 10 Residential Property Brand among Property Management Companies in Key Cities – Shenyang Branch



In December 2025, Roiserv was honored with the title of 2025 Top 10 Residential Property Brand among Property Management Companies in Key Cities – Shijiazhuang Branch



In December 2025, Roiserv was honored with the title of 2025 Top 10 Residential Property Brand among Property Management Companies in Key Cities – Jinan Branch



HONORS AND AWARDS

In January 2026, Roiserv was honored with the title of 2025 Top 50 Property Management Companies in North China



In January 2026, Roiserv was honored with the title of 2025 Top 10 Residential Property Management Companies in North China



In January 2026, Roiserv was honored with the title of 2025 Top 20 Property Management Companies in Hebei Province



In January 2026, Roiserv was honored with the title of 2025 Top 50 Property Management Companies in Northeast China



In January 2026, Roiserv was honored with the title of 2025 Leading Companies in Northeast China for Property Management Satisfaction



In January 2026, Roiserv was honored with the title of 2025 Top 20 Property Management Companies in Liaoning Province



In January 2026, Roiserv was awarded the 2025 Model Projects of Property Management Service in North China – Shijiazhuang Rongjing Park



In January 2026, Roiserv was awarded the 2025 Model Projects of Property Management Service in North China – Langfang Siji Huayu



CHAIRMAN'S STATEMENT

Dear Shareholders,

I hereby, on behalf of the Board present the Group's annual results for the year ended December 31, 2025 to Shareholders. In 2025, within the Group, we continued to uphold the customer-oriented service philosophy, improve the quality of services, put into practice the values of "sincerity, warmth and thoughtfulness", and strive for the goal of becoming a caring, warm-hearted, trustworthy and well-received quality life service provider with a far-sighted service philosophy covering the whole life cycle and the entire community service chain. For the year ended December 31, 2025, the Group recorded revenue of approximately RMB1,913.0 million, representing a decrease of approximately 2.2% as compared to the year ended December 31, 2024, and gross profit of approximately RMB408.1 million, representing a year-on-year decrease of approximately 1.8%. Net profit amounted to approximately RMB121.0 million during the Relevant Year, representing an increase of approximately 4.2% as compared to the year ended December 31, 2024. Gross profit margin for the Relevant Year was approximately 21.3%, representing a year-on-year increase of approximately 0.1 percentage point. Profit for the period attributable to owners of the Company amounted to approximately RMB112.6 million, representing a decrease of approximately 1.1% as compared to the year ended December 31, 2024. Basic earnings per share was approximately RMB0.3. The Board did not recommend the payment of a final dividend for the year ended December 31, 2025.

INDUSTRY STATUS

In 2025, China's economy was generally stable with progress. The Political Bureau of the CPC Central Committee held the meeting in September 2024 and proposed to promote the real estate market to stop the downturn and stabilize the market, and it also launched the combined policies of "four cancellations, four reductions, and two increases" in order to promote demand and healthy development of the real estate industry which include (i) cancelling purchase restrictions, cancelling sales restrictions, cancelling price limits, and cancelling the standards for ordinary and non-ordinary residential houses; (ii) reducing the interest rate of housing provident fund loans by 0.25 percentage points, reducing the down payment ratio of housing loans, reducing the interest rate of existing loans and reducing the tax and fee burden on house purchases; and (iii) increasing monetary settlement for an additional one million old house renovation and increasing the credit scale of "white list" projects to RMB4 trillion. In November 2024, Ministry of Finance, State Administration of Taxation, and Ministry of Housing and Urban-Rural Development of the PRC issued a number of tax policies to promote the stable and healthy development of the real estate market. Subsequently, local governments in China followed up and introduced local supporting measures, such as loosening purchase restrictions, promoting sales of existing houses, and optimizing provident fund policy. The impact of policy has initially emerged with transaction volumes in certain cities in PRC rebounding and housing prices stopped falling month-on-month. It is expected that the Chinese government will further introduce policies to promote the healthy development of the real estate industry, and both the real estate industry and market demand are expected to gradually recover in the next ten years.

Propelled by the dual drivers of the capital market and user demand, companies in the property services industry are no longer limited to the four traditional services of security, cleaning, greening and maintenance, but have developed into comprehensive service providers with presence across multiple industries. Whether by way of consolidation or independent operation, companies in the property service industry have currently been engaged in comprehensive competition with various industry verticals in various sectors including property brokerage, chain retail stores, decoration, advertising media, chain catering, housekeeping and cleaning, maintenance and installation, online shopping mall and community finance, imposing high requirements on the understanding of user needs, the insight of benchmarking industries, the operating capability to rapidly incubate new businesses, and the capacity to integrate ecological layout. In particular, the introduction and integration of talents from various industries pose the greatest challenges to us.

With the rapid advancement of science and technology, industry development and evolving customer demand, higher requirements are being placed on the coordination of community software and hardware. The Chinese government has comprehensively promoted the innovative development of the digital economy by deepening the research and development of big data, artificial intelligence and other applications. Simultaneously, the property services industry is actively undergoing the transformation of intelligence and digitization. Managers in the property services industry are required to have the abilities to predict and plan in advance in the face of diversified business patterns in the future, to integrate brand genes by virtue of capital resources, and to participate in government and industrial planning ahead of time. Supported by the intelligent property services management platform, the property services industry has enhanced the level of intelligent settings and intelligent services via intelligent early warning, intelligent research and judgment, intelligent order sending and intelligent supervision.

In recent years, due to the downward cycle of the upstream real estate industry, the growth rate of the management scale of the property services industry has slowed down, reducing the growth rate of both the managed and contracted area. As a result, the scale growth driven by the contracted area has waned, resulting in limited growth potential. Against this backdrop, property service enterprises are placing greater emphasis on service quality enhancement, providing high-quality services through refined operations and intensive management to meet the diversified needs of property owners. In addition, they aim to enhance customer perception and improve customer stickiness by providing differentiated services in this mature market with fierce competition. Sticking to the principle of providing high-quality fundamental property services, we will vigorously develop peripheral services based on our existing customer base, with a focus on areas such as housekeeping, retailing, home improvement, real estate brokerage, elderly care and education, so as to generate fresh income streams. China's real estate market is undergoing a transformation from an incremental market to a developed market, and the property services industry will also be competitive in such a developed market. However, China has implemented favourable policies to support the property services sector. For example, property service enterprises are encouraged to set up housekeeping service organizations, which are promoted to become an integral part of existing community public service facilities such as comprehensive community service centers. The property services industry will become an important force in community building, and will play an important role in the construction of smart communities, community elderly care, community transformation and other aspects. The property services industry will also play an active role in responding to China's comprehensive promotion of the construction of the quarter-hour convenient living circles in cities, particularly in terms of community business layout and enriching consumption sectors. At present, the Chinese government and local governments at all levels have improved relevant policies and introduced relevant measures, so that there is a clear path forward and development direction for the property management service sector in the fields of urban renewal, community elderly care, and standardization of fees and charges, which will be conducive to the high-quality development of the entire industry and the enhancement of the service level.

CORPORATE STRATEGIES

Facing the rapid upgrading and transformation of the industry and the environment where opportunities and challenges coexist, the Company will adopt the following strategies:

Continue to enhance brand value

Our brand is our utmost important asset. Our brand represents our corporate mission of “the builder of ideal human settlements, the connector of space and behavior, the innovator of property service industry” and our corporate values of “sincerity, warmth and thoughtfulness”. Customer recognition of our brand will bring more business opportunities and brand premium. We continue to enhance customer satisfaction and brand recognition through the following measures:

- (i) launching a series of quality enhancement initiatives such as the spring renewal campaign throughout the year to continuously improve customer service experience. In the spring of 2025, we conducted thorough research and meticulous planning to launch a spring renewal campaign themed “Renewing Our Properties, Building a Better Future” across our managed projects nationwide. By deeply integrating 2 categories encompassing 17 renovation projects with 3 types of interactive scenarios, we aim to achieve a closed loop of “property owner participation – service improvement – reputation building”. Leveraging the season of rejuvenation and blossoming spring, we seek to enhance the service image of our employees and the appearance of the properties we managed, working together with property owners to create a beautiful, clean, safe and comfortable environment. We will continue to study the needs of our customers, improve the quality of our services, and extend the boundaries of our services in order to meet the growing needs of our customers;
- (ii) enriching service chain and extending service boundary while vigorously developing peripheral services: through neighborhood convenience retail, providing customers with online and offline shopping convenience; through property leasing and sales, and home beautification businesses of the Find Home (覓好家), providing customers with real estate appreciation and value preservation services; through neighborhood happy care senior services, providing community seniors with senior academy, in-home care and centralized care at wellness centers; through value-added services such as Your Home (呦吼到家) and Home Travel Season (家游季), providing customers with in-home cleaning, maintenance and property owner travel services;
- (iii) expanding our business to non-community property management field through investment and open-market tender, covering diversified property service scenarios such as urban services, commercial and office properties and public building properties, and we won the bid for major projects such as the Guizhou Expressway project in the first half of 2025 to further offset the negative impact of the downturn in the real estate industry and the shrinking of the area of houses delivered, strengthen our capabilities and enhance the profitability of the Company;
- (iv) launching impactful brand service activities. At the “YoHo Family Festival” (呦吼家庭節), we engaged communities nationwide and gathered with over 100,000 property owners and their families outdoors to foster parent-child interactions and strengthen neighborhood harmony. By organizing community cultural activities and brand image campaigns such as the “Citizen Service Month” (便民服務月), we rewarded property owners, enhanced community vitality, and strengthened customer loyalty;
- (v) enhancing our influence in property industry development, including participating in the formulation of industry standards and attending industry summits and conferences, contributing to the development of the property industry. We believe that a trustworthy brand will enable us to obtain more property management projects, as well as enhance our pricing power, which will further improve our financial performance and competitiveness.

Further expand our business scale and market share

Leveraging our leading market position in the Bohai Economic Rim, and a national strategic service network consisting of the Bohai Economic Rim, the Yangtze River Delta Area, the Greater Bay Area and Central & Western China, as well as brand recognition and awareness, we aim to further expand our business and market share and achieve organizational growth. We aim to enhance customer satisfaction and continue to improve our service quality. By constructing five-star projects and promoting the establishment of smart communities, we are committed to improving customer satisfaction and brand reputation through enhancing our service quality grading system. Relying on basic property services to meet the diversified needs of property owners, we have gradually expanded and upgraded our service offerings to lifestyle services. We will expand our business scale and market share with brand value and quality services.

We plan to penetrate into new regions and new service areas by improving our ability to manage diversified types of properties, strengthening third-party expansion, enhancing multi-business formats and expanding our market shares in cities where we currently have operations. Up to now, our operations have covered property service scenarios, such as city operations, hospitals, schools, commercial properties, public buildings, tourist attractions, industrial parks and industrial enterprises. Meanwhile, leveraging our extensive property management service experience, we also plan to offer property management consultancy services to property developers and small-sized and medium-sized property management service companies. Since 2023, we have gradually expanded our business to non-community property services and urban services. Against the backdrop of a decreasing area of newly delivered housing in the upstream real estate industry and a shrinking annual takeover area in the property industry, the Group's expansion into diversified business operations will further broaden the scale and scope of the Group's business operations, increase the Group's non-community market share and enhance its competitiveness. Additionally, the diversified business development will also strengthen the Group's ability to adapt to market changes and its resilience against risks.

We attach importance to our collaboration with independent third-party property developers. Leveraging our strategic presence in the Bohai Economic Rim, the Yangtze River Delta region, the Greater Bay Area and Central and Western China, we expect to further penetrate into target markets across China. For properties with a GFA of over 1 million sq.m. or municipal service properties, we may form joint ventures with independent third-party property developers to manage those properties developed by such developers. The independent third-party property developer and the Company will enter into agreements to form the joint venture, which will be the entity to procure property management service mandates and provide property management services. We believe the relationship with the property developer, the knowledge of the specific service needs of such property developer coupled with our property management experience, would increase the chances for the joint venture to secure property management services contracts for the property projects developed by such property developer. According to the China Index Academy ("CIA"), it is a common strategy for sizable property management companies, including many listed property management companies, to expand their market share and business scale rapidly through setting up joint ventures and business alliances with independent third-party property developers which do not have established property management businesses of their own. We believe these strategic collaborations will enable us to: (i) strengthen our business relationship with these business partners and increase our chances of securing property management service contracts for properties developed by them; (ii) share the risk and costs with them arising from venturing into new markets; and (iii) leverage the geographic coverage and customer base of our business partners to enlarge our market shares and diversify the sources and types of property projects under our management. The key factors we will consider in selecting targets for joint ventures include the creditworthiness of the business partner, geographical location, legal compliance, target customer group, local population, project scale, construction standards and investment returns.

For new business expansion, we plan to further enrich our services to meet the current internal needs of the Company. Leveraging our sophisticated management model and extensive experience, we plan to introduce urban services (smart services), hospitals, schools, municipal public construction and other new business services. We plan to expand our cooperation with independent third-party property developers to manage industry parks developed by them. We plan to seek cooperation with independent third-party property developers in cities where we have existing operations so as to expand our property management portfolio of logistics centers and other types of industry parks. Meanwhile, we focus on project acquisitions, mergers and acquisitions with high quality. We plan to engage in selective acquisitions to expand our business. Our selection criteria for potential target companies include but are not limited to: (i) GFA under management of over 1.0 million sq.m.; (ii) operating revenue in the latest financial year of over RMB20.0 million; (iii) compliance of business operations with laws and regulations; and (iv) diversity in the portfolio of managed properties. We will prioritize in assessing potential acquisition or investment targets with a diversified portfolio of managed properties, such as public construction, urban services, commercial properties, industry parks, schools and hospitals. Through the investment in or acquisition of these companies, we expect to expand our geographic coverage, reinforce our competitive edge in economically developed regions, further diversify our portfolio of managed properties and enhance our brand awareness.

Continue to enrich our peripheral services

Through analyzing data on property owners and residents' behaviors collected during the provision of property management services, we continuously enhance our understanding of our customers' needs and preferences. Leveraging our big data analytics capabilities, we can make informed business decisions to effectively market our service and product offerings and improve our service quality. In particular, we utilize our big data analytics capabilities to enrich the services and products offerings of our peripheral services in response to the highly demanded services from property owners and residents in their daily life. Our plan is to adopt a new model aimed at building a quarter-hour convenient living circle within cities. This will be achieved by focusing on marketization, leveraging relevant national policies, enriching the entire service chain, and integrating peripheral services into the quarter-hour convenient living circle within the community to combine "business" and "services". Our goal is to provide property owners with value-added services in various aspects, such as spatial operation, retail services, home improvement services, economic services and housekeeping services.

Our one-stop omni-channel service platform is centered around the community living scenarios, allowing users to submit online requests for repair and maintenance and complaints and feedback, and also connecting users with offline convenience stores, property brokerage services and other door-to-door services. With respect to new retail services, we plan to increase the coverage of our offline convenience stores and further improve customers' shopping experience by expanding product offerings and adopting intelligent operation systems. To offer the S2B2C new retail services, we have set up forward warehouse stores, focusing on household necessities with rigid demand. By integrating a one-click order and delivery service mode into third-party sales platforms, we have enhanced our product sales and service offerings, expanding our service coverage from a local community to a whole district. Through a robust intelligent mid-platform system, we have established a dual advantage in the last 500 meters of purchase scenarios and purchase efficiency. While improving service efficiency, it also highlights the advantages of the supply chain. Additionally, we have the capability for supply chain output and single-product original equipment manufacturer ("**OEM**"). This enables us to provide property owners with more diverse, convenient, and cost-effective products. With respect to our property brokerage services, we plan to further expand our services to cover upstream and downstream services relating to real estate transactions, such as intermediary services relating to the sales and leasing of properties managed by us. In addition, we plan to establish an "all-in-one community card" (社區一卡通) system which will integrate online and offline resources and provide property owners and residents with access to high-quality home living services offered by vendors located in the one-kilometer radius surrounding the communities.

We plan to further expand our turnkey furnishing services to provide property owners with services covering the whole life cycle of their properties. According to the diverse needs of property owners across different levels, differentiated and segmented services are provided to new and existing property owners. In terms of new house services, we collaborate with merchants to fulfill the product and service designs, taking into consideration the core concerns of property owners. Through activities such as constructing sample rooms and organizing property owner meetings, the Group delivers valuable services, increasing the order completion rate and turnover for merchants, ultimately achieving a win-win situation. In terms of services for existing property owners, the Group optimizes its products according to the length of their residence and changes in family members. By providing free value-added services, such as regular inspections and troubleshooting, the Group identifies the potential needs of property owners and seizes business opportunities. In addition, we plan to offer renovation, cleaning and remodeling services for used properties. We plan to further diversify our peripheral services offerings to cover housekeeping services, community elderly care and healthcare services. We also plan to provide integrated professional services such as indoor air quality improvement, housekeeping and cleaning, appliance cleaning services, and tailor-make these services to property owners and residents based on their needs. We may also acquire downstream companies with community services that are complementary to our peripheral services, including, among others, companies engaged in decoration and renovation, education and training and housekeeping services.

Further invest in scientific technologies, develop and promote smart community management

The introduction of digital technology has contributed to the profound reform of the property services industry. With the steady expansion of the Company's area under management and the continuous growth of our management scale, our management operations have become increasingly diversified, enlarging our customer scale and customer base. Therefore, the enhancement of our digital operation capability has become the key to drive the Company's high-quality development and achieve service excellence.

Guided by the digital transformation strategy, we aim to build a standardized, modular and platform-based digital operation system, which introduces AI technology on a trial basis, designed to empower property services with technology to enter a new stage of intelligent and efficient development. By increasing strategic investments in information technology and digital operation platforms, we are committed to improving service quality and operational efficiency in all aspects, creating a more valuable and convenient service experience for our customers.

In terms of system upgrading, we have actively promoted the intelligent upgrading of the resource management system, remote data and video surveillance center. Meanwhile, we have comprehensively optimized the parking lot access management system, which not only enables refined parking space management, but also introduces the function of electronic payment through scanning two-dimensional code, significantly enhancing the efficiency of access and convenience of payment. At the same time, in-depth iteration of our property management service platform and value-added service platform continue to broaden our service scenarios and optimize user experience.

We plan to establish an intelligent command system with highly integrated functions incorporating intelligent control of vehicles and pedestrians, intelligent security and intelligent facilities. Moreover, IoT technology and other information technologies will empower equipment connectivity, enabling collection and remote monitoring of real-time operational data of equipment and facilities in addition to receiving timely alerts of faulty events. Data-driven decision-making will comprehensively enhance the intelligence and efficiency of the projects' operation and management.

Under in-depth application of digital management, our ability to collect and analyze operational data will be significantly strengthened. This will achieve the precise allocation and efficient utilization of human resources and other resources, effectively reducing operational costs while ensuring a steady improvement in service quality. Furthermore, we will continue to upgrade our one-stop omni-channel service platform to enrich the service scenarios and meet the diverse and personalized service needs of our customers, thereby further enhancing our service quality and customer satisfaction.

In the area of service innovation, we will actively explore the extensive application of digitalization and automation control in the communities under our management, and promote the use of intelligent equipment such as safety balance patrol vehicles, automatic sweeping vehicles, and unmanned patrol drones. We aim to improve the quality of service with the power of science and technology, reduce the reliance on traditional manpower, and create a safer, more convenient, and more comfortable intelligent community.

We firmly believe that through a series of digital transformation initiatives, we will stand out from the fierce competition in the market, lead the trend of digital transformation in the property services industry, provide customers with more excellent, intelligent and efficient property services, and open a new chapter in the property services industry.

Continue to improve staff motivation mechanism to attract, cultivate and retain talents

We will continue to adhere to the “talent-oriented” management policy, respond quickly to the human resource demands and adopt measures to optimize the allocation of human resources. We plan to further strengthen the functionality of our human resource administration, and establish human resource development plans. We have developed a “one-third by three” talent system. For our key operational roles and management positions, one third are from external leading companies, one third from internal promotion, and one third from management trainees hired through on-campus recruitment. Meanwhile, to continue with innovation, we also plan to recruit top-tier talents with advanced information technology skills. In addition, to enhance talent retention and promotion, we expect to continue providing a comprehensive and competitive compensation system. Also, we will build career advancement tracks centered on leadership, professional skills and corporate culture for employees working at different lines of business and in different fields, and provide promotion opportunities based on the employees’ skills. With these measures, we expect to continue to enhance our human resources management and to foster the continuous improvement and sustainable development of our employees and the Group as a whole.

Carry out innovative ESG practices for sustainable development

We plan to integrate the ESG concept into the Group’s operations in all aspects. We aim to meet the needs of property owners, advocate green properties, pursue sustainable development, and actively shoulder social responsibilities, committed to creating a “warm community culture” with a “technological” and “modern” community and living space for property owners. The Group will implement the concept of low-carbon and green office, actively seek and adopt innovative practices to reduce the consumption of resources in the office process and enhance its energy management. We plan to create green community projects and utilize digital technology for integrated management of energy consumption to enhance energy use efficiency and reduce emissions while ensuring the service quality for property owners and residents. The Group will keep a close watch on the introduction of national climate change policies and the dynamic development trends, actively identify the major risks to be brought about by climate change and take measures in advance to minimize the losses. The Group actively undertakes its own social responsibilities. Under the motto of “creating wealth, serving the society, cultivating talents and serving the country”, it actively participates in public welfare undertakings and launches a public welfare brand and leads property owners, community residents and employees in actively participating in public welfare activities to give back to the society and the country.

Last but not least, on behalf of the Board, I would like to express my sincere gratitude to all employees and the management team who have made contributions to the development of the Company over the past year, and to all Shareholders and partners for their support and trust.

By Order of the Board

Wu Qiuyun

Chairman and executive Director

March 31, 2026

BUSINESS REVIEW

OVERVIEW

The Group is a comprehensive property management service provider with a strategic service network across China. As of December 31, 2025, the Group had a total of 490 property management projects under management with an aggregate gross floor area (“**GFA**”) under management of approximately 97.0 million square metres (“**sq.m.**”), covering 67 cities across 19 provinces, municipalities and autonomous regions in China. As of December 31, 2025, the Group was contracted to manage 524 property management projects with an aggregate contracted GFA of approximately 105.5 million sq.m., covering 68 cities across 19 provinces, municipalities and autonomous regions in China.

The Group provides diversified services principally through four business lines, namely community services, commercial services, urban services and peripheral services. Its portfolio of managed properties comprises community properties and non-community properties. Among them, the types of managed properties under the non-community properties include (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industrial parks, the Olympic Village, schools and hospitals.

For the year ended December 31, 2025, the Group’s revenue was approximately RMB1,913.0 million, representing a decrease of approximately 2.2% compared to the corresponding period in 2024; gross profit was approximately RMB408.1 million, representing a decrease of approximately 1.8% compared to the corresponding period in 2024. Net profit in 2025 amounted to RMB121.0 million, representing an increase of approximately 4.2% as compared to the corresponding period in 2024. For the year ended December 31, 2025, the net profit attributable to the owners of the parent company amounted to approximately RMB112.6 million, representing a decrease of approximately 1.1% as compared to the corresponding period in 2024. Basic earnings per share in 2025 amounted to approximately RMB0.3.

BUSINESS MODEL

The Group principally operates four major business lines, namely (i) community services, (ii) commercial services, (iii) urban services, and (iv) peripheral services, which constitute the comprehensive services that the Group provides to its customers, and cover the entire value chain of property management.

- Community services: These services mainly include: (1) basic property management services: The Group provides a wide range of property management services to owners and residents of properties such as residential buildings, apartments, and street-level shops, mainly including security, cleaning, landscaping and gardening, as well as repair and maintenance services; and (2) other services. During the year ended December 31, 2025, all of the Group's property management fees were charged on a lump sum basis.
- Commercial services: The Group provides property management and other services to owners and residents of properties including business services, government agencies, industrial parks, hotels, office buildings, schools, hospitals, stadiums, and public transportation.
- Urban services: The Group provides urban operation services, mainly including: municipal sanitation, garbage collection and disposal, landscaping, and water treatment.
- Peripheral services: The Group provides customers with (1) brokerage services such as parking space rental and sales services; (2) home-living services such as new retail, new procurement, home repairs, maintenance, and housekeeping services; and (3) comprehensive value-added services for property developers. These value-added services mainly include (i) property engineering services; (ii) on-site services; and (iii) other services, mainly including preliminary planning and design consultancy services, property delivery services, and after-sales services.

Currently, China's real estate industry is gradually shifting from incremental development to stock-based market, with competition in the existing-property market becoming increasingly fierce. Against this industry backdrop, the demand for value-added services for developers has weakened, leading to a significant decline in the Group's revenue from value-added services for developers under its peripheral service business, while the property services industry is also experiencing a slowdown in the growth rate of the management scale. In response to the new industry landscape, the Group has intensified its investment and expansion efforts and actively expanded projects from independent third parties, including government agencies, industrial parks, office buildings, and other property types. During the reporting period, revenue from the commercial services business increased by 15.6% year-on-year. The Group has also actively expanded into urban services and peripheral services, proactively exploring new income streams, leveraging its service advantages, and gradually reducing its business dependence on the parent company. In summary, the changes in the Group's operating results in 2025 were mainly attributable to the external impact of the cyclical downturn in the real estate industry, combined with the Company's internal proactive business transformation, upgrading, and structural adjustments.

MANAGED AND CONTRACTED GFA¹ OF THE COMMUNITY SERVICE AND COMMERCIAL SERVICE SEGMENTS

Continuous high-quality growth in GFA size

The Group has been continuously expanding its property management service portfolio by obtaining new property management service contracts. As of December 31, 2025, the Group has contracted GFA of approximately 105.5 million sq.m. relating to 524 contracted projects, representing an increase of approximately 4.1% and 1% as compared with those as of December 31, 2024, respectively. As of December 31, 2025, the GFA under management was approximately 97.0 million sq.m. relating to 490 projects under management, representing an increase of approximately 8.6% and 3.6% as compared with those as of December 31, 2024, respectively. The sustained high-quality growth in GFA size was driven by the Group's active expansion of property projects from RiseSun Group and independent third-party developers, underpinned by its quality service and strong reputation in the industry.

In addition, as of December 31, 2025, the Group had entered into 135 formal cooperation agreements with independent third-party property developers during the Relevant Year. In such cooperation agreements, such property developers engaged the Group as the property management services provider, entrusted the Group with the management of relevant projects and shall pay the Group property management fees based on agreed scope of services. In 2025, the Group continued to adjust its business structure and focused its efforts on expanding non-residential and urban operation service projects. The Group established a complete series of service modes, including but not limited to full entrustment, consultancy, labor entrustment and specialized service projects. The agreements executed in 2025 covered various types of businesses, including government buildings, industrial parks, public buildings, highway service centers, commercial buildings, residential buildings, landscaping, schools, urban sanitation, industries and scenic areas.

The table below sets out the respective movements of the Group's contracted GFA and GFA under management for the years ended December 31, 2025 and 2024:

	Year ended December 31,			
	2025		2024	
	Contracted GFA (<i>'000 sq.m.</i>)	GFA under management (<i>'000 sq.m.</i>)	Contracted GFA (<i>'000 sq.m.</i>)	GFA under management (<i>'000 sq.m.</i>)
As of the beginning of the year	101,330	89,294	101,053	83,620
New engagements ⁽¹⁾	6,161	9,599	1,670	6,504
Terminations ⁽²⁾	(2,036)	(1,894)	(1,393)	(830)
As of the end of the year	105,455	96,999	101,330	89,294

Notes:

- (1) In relation to the community properties and non-community properties being managed by the Group, new engagements primarily include preliminary property management service contracts for new properties developed by property developers and property management service contracts for community properties replacing their previous property management service providers.
- (2) These terminations include certain property management service contracts that the Group did not renew on a voluntary basis, as the Group reallocated its resources to more profitable contracts, so as to optimise its property management portfolio.

¹ The GFA refers to the GFA managed or contracted by the Group under the community services and commercial services business lines.

Geographic presence

Since the establishment of the Group, its business footprint has extended across the country. As of December 31, 2025, the Group established business presence in 68 cities in 19 provinces, municipalities and autonomous regions in the PRC.

The following table sets out the breakdown of the total GFA under management by geographic region as of the dates indicated:

	As of December 31,			
	2025 (‘000 sq.m.)	%	2024 (‘000 sq.m.)	%
Bohai Economic Rim ⁽¹⁾	56,834	58.6	52,960	59.3
Yangtze River Delta region ⁽²⁾	17,914	18.5	17,591	19.7
Greater Bay Area and surrounding regions ⁽³⁾	2,928	3.0	2,928	3.3
Central and Western China ⁽⁴⁾	19,323	19.9	15,815	17.7
Total	96,999	100.0	89,294	100.0

Notes:

- (1) In this region, the Group provided property management services to projects located in Hebei, Liaoning, Inner Mongolia and Shandong.
- (2) In this region, the Group provided property management services to projects located in Jiangsu and Zhejiang.
- (3) In these regions, the Group provided property management services to projects located in Huizhou in the Greater Bay Area and other cities in Guangdong.
- (4) In this region, the Group provided property management services to projects located in Guizhou, Henan, Hunan, Sichuan, Anhui and Chongqing.

Stable property management fees

While growing rapidly, the Group also adheres to high-quality development standards. By continuously optimising the service projects under management, the Group has maintained its average property management fees while achieving the growth of GFA under management. For the years ended December 31, 2025 and 2024, the unit price of the Group’s consolidated average property management fees remained at RMB1.7/sq.m./month.

Diversified portfolio of property management services

The Group has a diversified portfolio of properties under management comprising (i) community properties; and (ii) non-community properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industrial parks, the Olympic Village, schools and hospitals. Through investments and open-market tenders, the Group has expanded into the non-community property management field, covering a diversified portfolio of property management services, with a view to further offsetting the negative impact of the downturn in the real estate industry and the shrinking of the area of houses delivered, strengthening its own capabilities, and enhancing the profitability of the Company.

The following table sets out the breakdown of the GFA under management and the number of projects under management under the Group's property management services by type of property as of the dates indicated:

	As of December 31,			
	2025	Number of projects under management	2024	Number of projects under management
	GFA under management ('000 sq.m.)	GFA under management ('000 sq.m.)	GFA under management ('000 sq.m.)	GFA under management ('000 sq.m.)
Community properties	84,723	408	80,625	395
Non-community properties				
– Commercial properties	4,056	55	3,867	54
– Public and other properties	8,221	27	4,802	24
Subtotal	12,277	82	8,669	78
Total	96,999	490	89,294	473

In addition, under the strong support of RiseSun Development and its subsidiaries (the "RiseSun Group"), and leveraging the Group's extensive industry experience and brand recognition, the Group has been expanding business cooperation with independent third-party property developers. As of December 31, 2025, the Group had an aggregate GFA under management of approximately 10.2 million sq.m. and an aggregate contracted GFA of approximately 10.6 million sq.m. with respect to properties developed by independent third-party property developers.

The following table sets out the breakdown of the total GFA under management by the type of property developers as of the dates indicated:

	As of December 31,			
	2025	%	2024	%
	GFA under management ('000 sq.m.)	GFA under management ('000 sq.m.)	GFA under management ('000 sq.m.)	GFA under management ('000 sq.m.)
RiseSun Group ⁽¹⁾	86,841	89.5	83,429	93.4
Properties developed by independent third-party property developers	10,159	10.5	5,865	6.6
Total	96,999	100.0	89,294	100.0

Note:

- (1) Including the projects independently developed by RiseSun Group and the properties jointly developed by RiseSun Group and other property developers in which RiseSun Group holds a controlling interest.

Urban services

The Group offers extensive urban operation services, including municipal sanitation, garbage collection and disposal, landscaping, and water treatment. Focusing on the actual needs of the urban market, the Group strives to facilitate the high-quality development of Chinese cities, address urban sanitation and environmental governance issues, provide refined services for urban governance, and contribute to the development of smart cities. As of December 31, 2025, the Group has signed 9 urban service operation projects in 6 cities, covering Hebei Province and Heilongjiang Province.

Peripheral services

Centered on the diverse needs of our customers, the Group provides a wide range of peripheral services, specifically including (1) brokerage services, such as parking space rental and sales services based on parking spaces owned by the Group and third parties; (2) home-living services such as new retail, commercial procurement, home repairs, maintenance, and housekeeping for owners and residents of the properties under management; and (3) comprehensive value-added services for property developers, consisting primarily of (i) property engineering services; (ii) on-site services; and (iii) other services, mainly including preliminary planning and design consultancy services, property delivery services, and after-sales services.

Parking space rental and sales services

The Group provides parking space rental and sales services to owners and residents. Leveraging the proactive communication and close relationships with owners and residents fostered through its community and commercial services, the Group provides such services for its own parking spaces acquired through debt settlement and third-party parking spaces. The Group has adopted a rental and sales business system that ensures customer privacy and efficiently matches housing supply and demand information, providing convenient rental and sales channels for millions of owners and delivering a better service experience.

New retail business

The Group's new retail business has established a business model of "chain convenience stores + self-operated warehouses + community group purchases" with full-scenario operation. The Group's offline chain convenience stores for new retail have been revamped as "Neighborhood Convenience," while the online group buying business has been revamped as "GO Online." The Group has launched a business model of "chain convenience stores + self-operated warehouses + community group purchases" to realize "Supplier-to-Business-to-Consumer" ("S2B2C") new retail services, creating a service model of easy ordering with one-click convenience. Through a robust intelligent mid-platform data system, it establishes a dual advantage in purchase scenarios and purchase efficiency within the last 500 meters, improving service timeliness while highlighting the advantages of the supply chain. In addition, the Group has supply chain output and single product original equipment manufacturer ("**OEM**") capabilities, which enables it to provide property owners with more diverse, convenient, and cost-effective products. As of December 31, 2025, the Group had a total of 67 physical stores in the communities under its management, with over 4,000 active stock keeping units ("**SKUs**"), including 5 proprietary brands, and approximately 200,000 members of Neighborhood Convenience.

Value-added services for property developers

The Group provides a wide spectrum of value-added services to property developers through different phases of property development and sales process, primarily including property engineering services, on-site services, and other services.

The Group improved its independent operating capabilities by optimizing business structure of property engineering services, adjusting business models and establishing professional engineering management teams; relieved geographical restrictions, coordinated and deployed engineering resources, implemented a headquarters-branch linkage model, and standardized the engineering business management of property companies through the integration of personnel across regions. However, since the customers for value-added services to non-property owners are mainly property developers, the further decrease in the construction area and completed area of property developers in 2025 led to a significant decline in engineering services within the value-added services to non-property owners, with revenue being lower than that of the same period last year.

In order to cope with the overall downward economic situation of the upstream real estate industry, the Group has proactively explored new business opportunities. On the one hand, affected by the overall downturn in the real estate industry, the Group expects its engineering business volume to continue shrinking in 2026. The engineering business is gradually shifting to delivered properties and external projects. In 2026, the Group will further develop its community business for delivered properties, including engineering and maintenance services, home decoration, gardening and landscaping, and direct drinking water services. On the other hand, the Group actively negotiated renovation, maintenance and management of public buildings, municipal works, parks, urban sanitation, scenic spots and public parks, and deployed the whole construction business for the installation of non-motorized and motorized charging piles in residential communities, enterprises, institutions and public parking lots, to make up for the performance gap and expand into diversified operations.

OUTLOOK

Looking forward to 2026, the Group will (i) continue to uphold the principle of customer-oriented services, maintain property service quality, further diversify its service offerings, expand its service portfolio, upgrade its property service brand, enhance the Group's brand influence and market competitiveness, and increase customer recognition and brand reputation. The Group will continue to strengthen our market expansion efforts and further develop new projects through resources, channel development and cooperation, to continuously increase its market shares; (ii) strategically invest in environment and sanitation, medical cosmetology, tourism and accommodation to expand its businesses and diversify its business portfolio. Through investments and mergers and acquisitions, the Company has developed new business opportunities in government-funded infrastructure, urban services, which enriched the Group's business categories, optimized its revenue structure and created synergies with its existing businesses, thereby enhancing the Group's consolidated operational capability and risk resistance. The Group will continue to improve the non-owner value-added system, intervene at the planning and design stage of projects, and undertake the role of a pre-intermediary from the perspectives of post-period customers and property services to facilitate the upgrade of the property brand. In response to the overall economic downturn in the upstream property sector, the Group will actively diversify its value-added business to non-property owners. This expansion includes areas such as aging retrofitting and targeted renovations, aiming to improve its business margin; (iii) continuously improve the "whole life cycle and whole service chain" service system to continuously enrich the segment of peripheral services, further promote businesses such as car washing and beauty, kiosks, property brokerage and other property space utilization and management services, and continue to promote various community services such as housekeeping service, community nursing service, healthcare service and other services, to provide owners with a "convenient and reassuring" community health experience to enable owners to feel our "caring" property services. The Group will actively develop in-home businesses, such as indoor cleaning, furniture maintenance, and air purification, to meet the demand for environmental services and repair and maintenance; (iv) launch a new brand of wellness business, "Neighbor Care". Adhering to the motto of "Love in Every Family, Care for Every One", the Group serves every family and every person at all ages and meets the needs of the elderly and their families for home-living, health, elderly care and mutual benefit services by providing one-stop, integrated wellness services; (v) at the same time strengthen the construction of financial management and control and capital support system, enhance the efficiency of financial management and control, adjust the revenue structure and profit structure, strengthen cash flow management, and improve the risk resistance capability of the enterprise; and (vi) cultivate and introduce professional talent, optimize the talent structure, promote the information technology construction of the Company, achieve technology empowerment, thereby improving the efficiency and quality of the Company's decision-making process.

FINANCIAL REVIEW

Revenue

During the Relevant Year, the Group derived its revenue principally from four business lines, namely (i) community services; (ii) commercial services; (iii) urban services; and (iv) peripheral services.

The following table sets forth the details of the Group's revenue recognised by business line for the years indicated:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change %
Community services	1,442,751.9	1,438,280.0	0.3
Commercial services	53,909.0	46,634.7	15.6
Urban services	215,587.6	187,082.5	15.2
Peripheral services	200,710.4	284,934.6	(29.6)
Total	1,912,958.9	1,956,931.8	(2.2)

The Group's revenue decreased by approximately 2.2% from approximately RMB1,956.9 million for the year ended December 31, 2024 to approximately RMB1,913.0 million for the year ended December 31, 2025. The reasons for the change of revenue by business line are set out as follows:

- (i) Revenue from community services increased by approximately 0.3% from approximately RMB1,438.3 million for the year ended December 31, 2024 to approximately RMB1,442.8 million for the year ended December 31, 2025, primarily due to the Group's active expansion of its property management projects from RiseSun Real Estate Development Co., Ltd ("**RiseSun Development**") and its subsidiaries (excluding the Group) (the "**RiseSun Group**") and other third parties, resulting in an increase in GFA under management;
- (ii) Revenue from commercial services increased by approximately 15.6% from approximately RMB46.6 million for the year ended December 31, 2024 to approximately RMB53.9 million for the year ended December 31, 2025, primarily due to the addition of new projects resulting from the Group's proactive efforts on business expansion during the Relevant Year;
- (iii) Revenue from urban services increased by approximately 15.2% from approximately RMB187.1 million for the year ended December 31, 2024 to approximately RMB215.6 million for the year ended December 31, 2025, which was primarily driven by the active expansion of its regional coverage and project portfolio of the Company of the Company; and
- (iv) Revenue from peripheral services decreased by approximately 29.6% from approximately RMB284.9 million for the year ended December 31, 2024 to approximately RMB200.7 million for the year ended December 31, 2025, which was mainly due to the impact of the downturn in the real estate industry, which led to a reduction in new property developments and, consequently, a decline in the Group's revenue from value-added services to developers and the parking space rental and sales services.

Community services

These services mainly include: (1) basic property management services: The Group provides a wide range of property management services to owners and residents of properties such as residential buildings, apartments, and street-level shops, mainly including security, cleaning, landscaping and gardening, as well as repair and maintenance services; and (2) other services. The following table sets forth a breakdown of the Group's revenue from community services for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Basic property management services	1,399,257	97.0	1,393,846	96.9
Other services	43,495	3.0	44,434	3.1
Total	1,442,752	100.0	1,438,280	100.0

Basic property management services

The Group provides a wide range of property management services to owners and residents of properties such as residential buildings, apartments, and street-level shops, mainly including security, cleaning, landscaping and gardening, as well as repair and maintenance services. The following table sets forth a breakdown of the Group's revenue from basic property management services by type of property developers for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Properties developed by RiseSun Group ⁽¹⁾	1,371,362	98.0	1,364,827	97.9
Properties developed by independent third-party property developers	27,895	2.0	29,019	2.1
Total	1,399,257	100.0	1,393,846	100.0

Note:

- (1) Representing the properties independently developed by RiseSun Real Estate Development Co., Ltd. (榮盛房地產發展股份有限公司) and its subsidiaries, which exclude the Group, and the properties jointly developed by RiseSun Group and other property developers in which RiseSun Group holds a controlling interest.

To facilitate the management of the property management network, the Group divides its geographic coverage into four major regions in the PRC, namely Bohai Economic Rim, Yangtze River Delta region, Greater Bay Area and surrounding regions, and Central and Western China. The following table sets out the total revenue for the years indicated from the provision of basic property management services by geographical coverage:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Bohai Economic Rim ⁽¹⁾	826,739	59.1	828,330	59.4
Yangtze River Delta region ⁽²⁾	239,862	17.1	245,185	17.6
Greater Bay Area and surrounding regions ⁽³⁾	69,765	5.0	59,801	4.3
Central and Western China ⁽⁴⁾	262,892	18.8	260,530	18.7
Total	1,399,257	100.0	1,393,846	100.0

Notes:

- (1) In this region, the Group provided property management services to projects located in Hebei, Liaoning, Inner Mongolia and Shandong.
- (2) In this region, the Group provided property management services to projects located in Jiangsu and Zhejiang.
- (3) In these regions, the Group provided property management services to projects located in Huizhou in the Greater Bay Area and other cities in Guangdong.
- (4) In this region, the Group provided property management services to projects located in Guizhou, Henan, Hunan, Sichuan, Anhui and Chongqing.

Commercial services

The Group provides property management and other services to owners and residents of properties including business services, government agencies, industrial parks, hotel, office buildings, schools, hospitals, stadiums, and public transportation. Revenue from commercial services increased by approximately 15.6% from RMB46.6 million for the year ended December 31, 2024 to RMB53.9 million for the year ended December 31, 2025.

Urban services

The Group provides urban operation services, mainly including: municipal sanitation, garbage collection and disposal, landscaping, and water treatment. Revenue from urban sanitation services increased by approximately 15.2% from RMB187.1 million for the year ended December 31, 2024 to RMB215.6 million for the year ended December 31, 2025.

Peripheral services

The Group provides customers with (1) brokerage services such as parking space rental and sales services; (2) home-living services such as new retail, commercial procurement, home repairs, maintenance, and housekeeping services; and (3) comprehensive value-added services for property developers. These value-added services mainly include (i) property engineering services; (ii) on-site services; and (iii) other services, mainly including preliminary planning and design consultancy services, property delivery services, and after-sales services. Revenue from peripheral services decreased by approximately 29.6% from RMB284.9 million for the year ended December 31, 2024 to RMB200.7 million for the year ended December 31, 2025.

The following table sets out the total revenue from peripheral services for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Parking space rental and sales services	20,216.0	10.1	30,751.9	10.8
Home-living services	136,909.1	68.2	164,030.4	57.6
Value-added services to property developers	43,585.3	21.7	90,152.3	31.6
Total	200,710.4	100.0	284,934.6	100.0

Cost of sales

The Group's cost of sales mainly consists of (i) employee benefit expenses; (ii) maintenance costs; (iii) engineering costs; (iv) greening and cleaning expenses; (v) costs of goods sold; (vi) utilities; (vii) taxes and other levies; (viii) cost of consumables; (ix) office expenses; (x) travelling and entertainment expenses; (xi) depreciation and amortization charges; and (xii) others. The Group's cost of sales decreased by approximately 2.36% from approximately RMB1,541.2 million for the year ended December 31, 2024 to approximately RMB1,504.9 million for the year ended December 31, 2025. Such decrease in the cost of sales was mainly due to cost control.

Gross profit and gross profit margin

Category	Year ended December 31,			
	2025		2024	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Community services	277,313	19.2	287,089	20.0
Commercial services	9,584	17.8	7,546	16.2
Urban services	53,824	25.0	30,152	16.1
Peripheral services	67,359	33.6	90,912	31.9
Total	408,080	21.3	415,699	21.2

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by approximately 1.8% from approximately RMB415.7 million for the year ended December 31, 2024 to approximately RMB408.1 million for the year ended December 31, 2025.

The gross profit margin of the Group increased by approximately 0.1% from 21.2% for the year ended December 31, 2024 to approximately 21.3% for the year ended December 31, 2025. During the Relevant Year, the Group continued to cultivate community services, commercial services and urban services, expand its non-residential and urban operation service projects, and broaden its business mix across multiple formats. This resulted in sustained growth in both the GFA under management and contracted GFA, higher operating income and stabilized gross profit margin. On the other hand, the Group proactively adjusted the development model of its peripheral services in light of market changes. Based on existing resources, business models and customer needs, the Group eliminated low-profit business scenarios and integrated resources to achieve refined operations. While revenue from the peripheral services business declined, the gross profit margin of the business increased, contributing to an increase in the Group's overall gross profit margin.

Selling expenses

The Group's selling expenses mainly consist of employee benefit expenses and office expenses for its sales and marketing staff. The Group's expenses increased by approximately 2.1% from approximately RMB7.2 million for the year ended December 31, 2024 to approximately RMB7.4 million for the year ended December 31, 2025, primarily due to the project development bonuses paid to the Group's sales staff.

Administrative expenses

The Group's administrative expenses mainly consist of (i) employee benefits; (ii) entertainment expenses; (iii) intermediary service fees; (iv) depreciation and amortization charges for assets; and (v) office expenses, etc. The Group's administrative expenses decreased by approximately 10.0% from approximately RMB119.3 million for the year ended December 31, 2024 to approximately RMB107.4 million for the year ended December 31, 2025, mainly due to the streamlining of functional workforce and the reduction of functional staff costs, reducing costs and improving efficiency during the Relevant Year, with various expenses being lower than those of the corresponding period of last year.

LOSS ON IMPAIRMENT OF CREDIT

Basic principles of impairment provision of trade receivables and other receivables

The Company measured the expected credit losses on various accounts receivables and other receivables in accordance with the “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”. Due to the impact of the general downward trend of the real estate industry, the Company assessed the provision ratio for bad debts prudently and made an impairment provision of approximately RMB77.1 million in 2025.

Income tax expenses

The Group’s income tax expenses comprise PRC corporate income tax. The Group’s income tax expenses increased by approximately 21.2% from approximately RMB30.8 million for the year ended December 31, 2024 to approximately RMB37.3 million for the year ended December 31, 2025.

For the year ended December 31, 2025, the Group’s effective income tax rate was approximately 23.6%. During the Relevant Year, more subsidiaries of the Group qualified as “small low-profit enterprises” with taxable incomes below RMB3 million, as such, more entities of the Group benefited from preferential income tax treatment at 5% while the general income tax rate was calculated at 25%, bringing the effective tax rate below 25% for the period.

Profit for the year

As a result of the aforementioned changes in the Group’s financial conditions, the Group’s profit for the year increased by approximately 4.2% from approximately RMB116.1 million for the year ended December 31, 2024 to approximately RMB121.0 million for the year ended December 31, 2025. This was mainly due to a reduction in the balance of accounts receivable resulting from debt settlement by the related party RiseSun Development, which led to a decrease in credit impairment losses and an increase in profit.

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately RMB112.6 million for the year ended December 31, 2025, representing a decrease of approximately 1.1% from approximately RMB113.8 million for the corresponding period in 2024.

Fixed assets, right-of-use assets and long-term prepaid expenses

The Group’s fixed assets, right-of-use assets and long-term prepaid expenses comprise office equipment, machinery, vehicles, leasehold improvements and right-of-use assets. As of December 31, 2024 and 2025, the Group’s fixed assets, right-of-use assets and long-term prepaid expenses amounted to approximately RMB62.5 million and RMB47.9 million, respectively. The decrease of RMB14.6 million in the Group’s property, plant and equipment during the year ended December 31, 2025 was primarily attributable to depreciation and amortisation of assets during the Relevant Year.

Investment properties

The Group’s investment properties consist of car parks and retail units held to earn rentals and for capital appreciation. Its investment properties decreased from approximately RMB69.7 million as of December 31, 2024 to approximately RMB68.7 million as of December 31, 2025, which remained relatively stable.

Intangible assets

The Group's intangible assets mainly include computer software. The Group's intangible assets decreased from approximately RMB8.1 million as of December 31, 2024 to approximately RMB6.3 million as of December 31, 2025, mainly due to the amortization of intangible assets during the Relevant Year.

Inventories

The Group's inventories consist mainly of raw materials, convenience store merchandise, revolving materials, low-value consumables, and parking spaces and properties acquired from debt settlement arrangement. The Group's inventories increased from approximately RMB339.1 million as at December 31, 2024 to approximately RMB741.6 million as at December 31, 2025, which was mainly due to the increase in the number of properties and parking spaces acquired under debt settlement arrangement to settle a total of approximately RMB1,069.9 million due to the Group by RiseSun Group as disclosed in the circular of the Company dated July 21, 2025.

Accounts and other receivables and prepayments

The Group's accounts and other receivables and prepayments comprise accounts receivables, notes receivable, finance lease receivables, other receivables and prepayments to suppliers. As of December 31, 2025, the Group's accounts and other receivables and prepayments amounted to approximately RMB2,575.4 million, representing a decrease of approximately 8.2% from approximately RMB2,804.7 million as of December 31, 2024.

The Group's accounts receivables mainly arise from the services provided under the Group's community services, commercial services, urban services and peripheral services. As at December 31, 2025, the Group's accounts receivables amounted to approximately RMB1,952.4 million, representing a decrease of approximately 7.7% from approximately RMB2,116.2 million as at December 31, 2024, which was mainly due to the settlement of debts with property and parking spaces by the Group during the year, which reduced the balance of accounts receivable at RiseSun Group.

As of December 31, 2025, the Group recorded long-term finance lease receivables in the amount of approximately RMB3.2 million, primarily resulting from the finance lease agreements it entered into for sub-leasing certain car parks and retail units.

The Group's other receivables primarily consist of interest receivable, provisional payments, payments made on behalf of property owners and residents related to utility fees, collaboration deposits, tender deposits and advances to employees. As at December 31, 2025, the Group's other receivables amounted to approximately RMB470.4 million, representing a decrease of approximately 17.6% as compared with that of approximately RMB571.1 million as at December 31, 2024. This was mainly due to the Group's proactive efforts to settle and collect receivables.

As of December 31, 2025, the Group's prepayments amounted to approximately RMB146.9 million, representing an increase of approximately 32.8% as compared with that of approximately RMB110.6 million as of December 31, 2024. This was mainly due to prepaid service fees to suppliers.

Accounts and other payables

The Group's accounts and other payables comprise accounts payables, other payables, staff remuneration payables and taxes payables. As of December 31, 2025, the Group's accounts and other payables amounted to approximately RMB1,435.9 million, representing a decrease of approximately 1.2% from approximately RMB1,453.9 million as of December 31, 2024.

Working capital, liquidity and financial resources

The Group believes that, taking into account the financial resources available to it and the cash generated from its operations, it has sufficient working capital to meet the needs for working capital, capital expenditure and other capital needs. Going forward, the Group will closely monitor uses of cash and cash balances and strive to maintain a healthy liquidity for its operations.

Net current assets

As of December 31, 2025, the Group's net current assets amounted to approximately RMB1,948.3 million (December 31, 2024: approximately RMB1,835.3 million). The Group's total current assets increased by approximately 3.7% from approximately RMB3,777.2 million as of December 31, 2024 to approximately RMB3,916.9 million as of December 31, 2025. The Group's total current liabilities increased by approximately 1.4% from approximately RMB1,941.9 million as of December 31, 2024 to approximately RMB1,968.6 million as of December 31, 2025.

Cash and cash equivalents

As at December 31, 2025, the Group's cash and cash equivalents (excluding restricted bank deposits) amounted to approximately RMB508.7 million, a decrease of approximately 8.1% from approximately RMB553.7 million as at December 31, 2024, which was mainly attributable to the increase in costs for purchasing materials and salaries of labor due to the expansion of the Company's scale and the investment in new business during the Relevant Year, resulting in a decrease in the overall net cash flow from operations.

Indebtedness

As at December 31, 2025, the Group had outstanding bank loans totaling RMB3.0 million (December 31, 2024: RMB3.0 million), which are repayable in September 2026.

Pledge of assets

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

Financial risks

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

Foreign exchange risk

The Group's businesses are principally conducted in RMB. As at December 31, 2025, the foreign currency that the Group has is HK\$1.8 million, equivalent to RMB1.6 million. The fluctuation in the exchange rate of RMB against HK\$ had limited impact on the Group's operating results.

As the Group's risk exposure to foreign currency is low, the Group has not implemented any foreign currency hedging policy. It will closely monitor the exposure to any exchange rates and consider the use of hedging instruments if necessary.

Credit risk

The Group is exposed to credit risk in relation to its accounts and other receivables, contract assets, cash deposits at banks and financial assets at fair value through profit or loss. The carrying amounts of accounts and other receivables, cash and cash equivalents and financial assets at FVPL represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group expects that there is no significant credit risk associated with cash deposits at banks as they are substantially deposited at banks of high credit ratings. Management expects that there will not be any significant losses resulting from non-performance by these counterparties.

The Group expects that there is no significant credit risk associated with financial assets at fair value through profit or loss as the Group furnishes investment mandates to commercial banks, and these mandates require them to invest in wealth management products with high market credit rating, liquidity and stable return. Management expects that there will not be any significant losses resulting from non-performance by these counterparties.

The Group has assessed that, in view of the current financial position and past credit history of related parties, the Group has fully considered the bad debt provision and impairment allowance in the carrying value of accounts and note receivables and contract assets from related parties. Apart from accounts receivables and contract assets due from related parties, the Group has a large number of customers and there was no concentration of credit risk. In the event that the Group is unable to recover the receivables from the related parties, the Group will consider taking various measures, including but not limited to realize assets to offset debts (including residences, shops, parking spaces, apartments).

The Group has fully considered the provision for bad debts in the carrying value of other receivables due from related parties. The Group has assessed that the ECL rate for the amounts due from these entities are immaterial under the 12 months ECL method and considered them to have low credit risk, and thus the loss allowance is immaterial. Going forward, The Group will continue to make periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

Liquidity risk

To manage the liquidity risk, the Group monitors and maintains sufficient cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

CONTINGENT LIABILITIES AND LITIGATIONS

As of December 31, 2025, the Group did not have any material contingent liabilities or litigations (December 31, 2024: nil).

COMMITMENTS

As of December 31, 2025, the lease commitment of the Group as a lessee amounted to approximately RMB14.5 million (December 31, 2024: approximately RMB24.6 million).

KEY FINANCIAL RATIOS

As of December 31, 2025, the current ratio was 2.0 times (December 31, 2024: approximately 1.9 times) and its gearing ratio was approximately 45.9% (December 31, 2024: approximately 47.1%).

Current ratio is calculated based on the total current assets divided by the total current liabilities as of the respective dates and multiplied by 100%.

Gearing ratio is calculated based on the total liabilities, which represent the sum of current liabilities and non-current liabilities, divided by total assets, which represent the sum of current assets and non-current assets, as of the respective dates and multiplied by 100%.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of December 31, 2025, the Group had no material off-balance sheet commitments and arrangements.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On June 18, 2025 (after trading hours), the Company entered into a debts settlement framework agreement with RiseSun Development (the “**2025 Debts Settlement Framework Agreement**”). Pursuant to the 2025 Debts Settlement Framework Agreement, the Company has conditionally agreed to acquire and RiseSun Development has conditionally agreed to dispose of certain properties, at an aggregate consideration of RMB1,069,874,840.76 which shall be offset against the certain outstanding receivables owed to the Group on a dollar-for-dollar basis. Those properties include 12,689 parking spaces, 5,479 storage units and 112 residential, apartment and commercial units to be acquired by the Group under the 2025 Debts Settlement Framework Agreement. The transactions to be conducted under the 2025 Debts Settlement Framework Agreement were approved by the Company in its extraordinary general meeting held on August 8, 2025. For further details, please refer to the Company’s circular dated July 21, 2025.

Except as disclosed above, there were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, during the year ended December 31, 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had not executed any agreement in respect of material investment or capital asset and did not have any other plans for material investment or capital asset as at the date of this announcement. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the shareholders (the “**Shareholders**”) as a whole. The potential investment opportunity will be funded by internal resources and the net proceeds from the Listing.

PROCEEDS FROM LISTING

H shares of the Company were listed on the Main Board of the Stock Exchange on January 15, 2021, with 94,000,000 new H Shares allotted and issued. The net proceeds from the Listing amounted to approximately HK\$1,168 million. Details of the intended usage of such proceeds at the relevant time were set out in the Prospectus. Having considered the change in the market conditions and the business needs of the Group since the Listing, on June 16, 2023, the Board resolved to change (the “Change”) the use of the net proceeds such that the unutilized net proceeds in the amounts of approximately HK\$385.4 million from “strategic acquisitions and investments in property management companies” under “business expansion” will be re-allocated to: (i) fund the strategic acquisitions and investments in target companies engaging in environmental sanitation, medical beauty and tourism and accommodation totaling approximately HK\$151.8 million; (ii) allow a further allocation of approximately HK\$58.4 million to “further diversify the Group’s community value-added service offerings to cover housekeeping services, community elderly care and healthcare service” under “enrich community value-added service offerings” and expand the coverage to include also “agricultural and sideline products and breeding and decoration services”; and (iii) allow a further allocation of approximately HK\$175.2 million to be used for “working capital and other general corporate purposes”. For further details, please refer to the announcements of the Company dated June 16, 2023 and August 29, 2023 respectively. Details of the net proceeds as at December 31, 2024 are set forth below:

	Planned use of net proceeds after the Change		Unutilised net proceeds as of January 1, 2025	Actual use of net proceeds		Unutilised net proceeds as of December 31, 2025	Expected timeline of the intended use of proceeds
				during the year ended December 31, 2025			
	<i>HK\$'million</i> <i>Approximate</i>	<i>%</i> <i>Approximate</i>	<i>HK\$'million</i> <i>Approximate</i>	<i>HK\$'million</i> <i>Approximate</i>	<i>HK\$'million</i> <i>Approximate</i>		
(a) Business expansion:	467.20	40.00	158.25	–	158.25		
(i) Strategic acquisitions and investments in property management companies	140.16	12.00	15.83	–	15.83	2026	
(ii) Strategic acquisitions and investments in downstream companies	175.20	15.00	54.95	–	54.95	2026	
(iii) Strategic acquisitions and investments in companies engaged in environmental sanitation, cosmetic medicine, and tourism	151.84	13.00	87.47	–	87.47	2026	

MANAGEMENT DISCUSSION AND ANALYSIS

	Planned use of net proceeds after the Change		Unutilised net proceeds as of	Actual use of net proceeds during the year ended	Unutilised net proceeds as of	Expected timeline of the intended use of proceeds
	HK\$'million	%	January 1, 2025	December 31, 2025	December 31, 2025	
	Approximate	Approximate	HK\$'million Approximate	HK\$'million Approximate	HK\$'million Approximate	
(b) Enrich community value-added service offerings:	233.60	20.00	174.83	3.24	171.59	
(i) Increase the coverage of the Group's offline convenience stores, expand product offerings and enhance intelligent operations at the Group's offline convenience stores	46.70	4.00	11.67	–	11.67	2026
(ii) Further develop and expand the Group's property brokerage services to cover intermediary services relating to the sales and leasing of properties managed by the Group	46.70	4.00	36.05	3.24 ⁽¹⁾	32.81	2026
(iii) Further diversify the Group's community value-added service offerings to cover housekeeping services, agricultural and aquaculture products and farming, renovation services, community elderly care and healthcare services	140.20	12.00	127.11	–	127.11	2026

	Planned use of net proceeds after the Change		Unutilised net proceeds as of January 1, 2025	Actual use of net proceeds during the year ended December 31, 2025	Unutilised net proceeds as of December 31, 2025	Expected timeline of the intended use of proceeds
	HK\$'million Approximate	% Approximate	HK\$'million Approximate	HK\$'million Approximate	HK\$'million Approximate	
(c) Upgrade information technology infrastructure:	175.20	15.00	152.17	-	152.17	
(i) Upgrade the Group's one-stop omnichannel service platform to enrich service scenarios and improve user experience	58.40	5.00	45.10	-	45.10	2026
(ii) Build and upgrade information technology systems	43.80	3.75	42.74	-	42.74	2026
(iii) Increase the coverage of information technology systems and roll out smart community management tools in the communities under the Group's management	43.80	3.75	35.13	-	35.13	2026
(iv) Upgrade the Group's information management systems	29.20	2.50	29.20	-	29.20	2026
(d) Working capital and other general corporate purposes	292.00	25.00	0.00	-	0.00	
Total	1,168.00	100.00	485.25	3.24	482.01	

Note:

- (1) As a result of certain legal proceedings brought against the Group, during the year ended December 31, 2025, a total of approximately HK\$3.24 million was deducted from the bank account where the net proceeds were placed, as directed by the courts, including but not limited to the People's Court of Cixi City in Zhejiang Province, the Intermediate People's Court of Jiaxing City in Zhejiang Province and the Nanhu District People's Court of Jiaxing City in Zhejiang Province. Such amount was deducted from "further development and expansion of the Group's property brokerage business to cover intermediary services relating to the sales and leasing of properties managed by the Group".

EMPLOYEES AND REMUNERATION POLICY

Human resources have always been the most valuable resource of the Group. As of December 31, 2025, the Group had a total of 7,002 full-time employees. For the year ended December 31, 2025, the staff cost recognised as expenses of the Group amounted to approximately RMB686.5 million (2024: approximately RMB768.6 million).

The Group has established a competitive incentive and performance assessment system. The Group provides incentives based on evaluation of employees' performance in a number of areas, such as investment development, value-added services, basic service quality and overall performance. The Group provides incentives and dividends on a combination of monthly, quarterly, annual and mid-to-long-term basis, and on a regular and matter-specific basis, to motivate the employees' contribution. For the year of 2025, the Group did not have any equity incentive plan in place. According to the relevant PRC laws and regulations, the Group makes contributions to social insurance fund, including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance, and housing provident fund for the benefit of the PRC employees.

The Group focuses on cultivating talents and providing different systematic training catering to individual needs. For example, the Group provides senior management with training on improvement of post-listing management and operational awareness, mid-level management with training on risk prevention and new business development, project managers with training on business professionalism and standardized operation, management trainees with training on improvement of basic-level management and professionalism etc., and continuously establishes and optimizes a hierarchical talent cultivation system to establish the development path for talents. As of December 31, 2025, the Group organized approximately 1,082 training sessions, with over 7,000 participants.

The biographical details of Directors and senior management of the Company are as follows:

BIOGRAPHICAL DETAILS OF DIRECTORS

Mr. Wu Qiuyun (吳秋雲) (“Mr. Wu”), aged 45, was appointed as an executive Director, Chairman, chairman of the Nomination Committee, and member of the Remuneration Committee of the Group on October 21, 2025. He has extensive experience in real estate development, architectural design and construction, travel and hotel operations, commercial operations and financial investment. Currently, he serves as a director of the 8th session of the board of directors, president, and a member of each of the strategy committee, the nomination committee and the remuneration and appraisal committee of the board of directors of RiseSun Real Estate Development Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 002146), where he is primarily responsible for the overall operation and management of RiseSun Development and its subsidiaries and leads the overall management of the group’s hotels, business management and fund companies. From March 2014 to March 2015, he served as deputy general manager of marketing at RiseSun Real Estate Development Co., Ltd. Jinan Branch, primarily responsible for the overall marketing work of Jinan Branch. From March 2015 to January 2020, Mr. Wu served as general manager of RiseSun Real Estate Development Co., Ltd. Shijiazhuang Branch, primarily responsible for the overall operation and management. From January 2020 to June 2023, he served as general manager of RiseSun Kanglv Investment Co., Ltd.* (榮盛康旅投資有限公司), primarily responsible for the overall operation and management of RiseSun Kanglv Investment Co., Ltd. (including hotel management companies). From July 2023 to October 2024, he served as a director of the seventh session of the board of directors, vice president and a member of the remuneration and appraisal committee of the board of directors of RiseSun Development, primarily responsible for the marketing and operations of RiseSun Development Group and leading the work of the group’s hotels and fund companies.

Mr. Wu graduated from Xi’an University of Finance and Economics with a bachelor of science degree in 2003.

Ms. Liu Hongxia (劉紅霞) (“Ms. Liu”), aged 48, was appointed as an executive Director on August 22, 2022. Ms. Liu joined the Group in June 2022 as the Group’s general manager and is responsible for overall operations and management of the Group.

Ms. Liu joined RiseSun Development in 2001 and served as a development specialist of RiseSun Construction Engineering from July 2001 to February 2002, where she was responsible for business development of engineering projects. From February 2002 to July 2004, she served as the secretary of the chairman’s office of RiseSun Holdings Co., Ltd., assisting the chairman in daily work arrangements. From July 2004 to December 2005, she served as the deputy director of the chairman’s office of RiseSun Holdings, where she was responsible for administrative management and participated in the management and operation. From December 2005 to May 2009, she served as the manager of the human resources department of RiseSun Holdings, where she was responsible for the human resources management. From May 2009 to March 2016, she served as the human resources director of RiseSun Real Estate Development Co., Ltd., where she was responsible for the human resources management. From March 2016 to June 2022, she served as the general manager of the human resources information center of RiseSun Real Estate Development Co., Ltd..

Ms. Liu graduated from Hebei Institute of Civil Engineering and Architecture (河北建築工程學院) with a bachelor’s degree in architectural engineering in July 2001. She obtained a master’s degree in business administration from Guanghua School of Management of Peking University (北京大學光華管理學院) in June 2017 and was awarded the title of engineer in May 2009.

As at the date of this report, Ms. Liu is deemed to be interested in the 23,733,000 Shares held by Xianghe Shengyide Business Information Consulting Center (Limited Partnership) (香河盛繹德商務信息諮詢中心(有限合夥)) as its general partner.

Mr. Long Xiaokang (隆小康) (“Mr. Long”), aged 41, was appointed as the chief financial officer and the deputy general manager of the Group on July 20, 2022. He has been the secretary to the Board and joint company secretary of the Group since June 28, 2024, and was appointed as an executive Director on the same date.

From July 2008 to August 2011, he served as the accounting supervisor of RiseSun Real Estate Development Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002146) in its Jiangsu Xuzhou project (江蘇徐州項目); from September 2011 to March 2016, he successively served as the finance manager and the chief financial officer of RiseSun Real Estate Development Co., Ltd. in its Anhui Bengbu project (安徽蚌埠項目), responsible for the financial management of Bengbu region; from April 2016 to September 2021, he successively served as the chief financial officer and the deputy general manager of RiseSun Xingcheng Investment Co., Ltd. (榮盛興城投資有限公司), responsible for the financial management and park operation of RiseSun Industrial Park (榮盛產業園); from October 2021 to June 2022, he served as the deputy general manager of RiseSun Kanglv Investment Co., Ltd. (榮盛康旅投資有限公司), responsible for its financial management. In February 2026, he served as a director of the eighth session of the board of directors of RiseSun Development. In March 2026, he served as secretary of the Board of RiseSun Development.

Mr. Long graduated from Hebei University of Economics and Business (河北經貿大學) with a bachelor’s degree in management in 2008 and graduated from Nankai University (南開大學) with a master’s degree in Executive Master of Business Administration in 2019. Mr. Long has extensive experience in financial management, investment and financial management, auditing and tax management.

Mr. Zhang Wenge (張文革) (“Mr. Zhang”), aged 58, was appointed as a non-executive Director on April 6, 2020 and is responsible for providing guidance for the overall development of the Group.

Mr. Zhang joined the Group in June 2004 as the general manager of the Company until July 2007, where he was responsible for overall operations and management. He was appointed as our executive Director in December 2006 and resigned in February 2018.

Prior to joining the Group, Mr. Zhang had more than ten years of work experience in the hotel and property management industries. Mr. Zhang joined RiseSun Real Estate Development Co., Ltd. in July 2007 and successively served as the deputy general manager of Langfang Branch Office, director of property management and the general manager of the property management center until July 2017, responsible for overall management and operations of the property management sector in RiseSun Real Estate Development Co., Ltd.. Mr. Zhang currently also serves as a director and general manager at various subsidiaries of RiseSun Real Estate Development Co., Ltd., where he is responsible for the overall operations and management of such subsidiaries.

Mr. Zhang graduated from Beijing International Studies University (北京第二外國語學院) in the PRC in July 1992, where he obtained dual bachelor’s degrees in Russian and Japanese.

Mr. Jin Wenhui (金文輝) (“Mr. Jin”), aged 56, was appointed as an independent non-executive Director on April 6, 2020 and is responsible for providing independent advice to the Board.

From July 1994 to December 1997, Mr. Jin was a teacher at Beijing Institute of Petrochemical Technology (北京石油化工學院). From December 1997 to December 2003, he successively served as an audit manager and senior partner at Zhongpeng Certified Public Accountants Co., Ltd. (中鵬會計師事務所), where he was responsible for managing audit projects. From May 2004 to July 2009, he served as the assistant to the president, the financial director, a director of the board and the vice president at RiseSun Holdings, and as the executive general manager at RiseSun Venture Capital Co., Ltd. (榮盛創業投資有限公司), a subsidiary of RiseSun Holdings, where he was mainly responsible for managing operations related to finance, auditing and investment. He worked at RiseSun Real Estate Development Co., Ltd. as a director of the board in January 2006 and was responsible for financial management and business decisions until January 2012. He also served as a supervisor at Langfang Ruisheng Investment Co., Ltd. (廊坊瑞盛投資股份有限公司), a subsidiary of RiseSun Real Estate Development Co., Ltd., from May 2007 to February 2016, where he was responsible for supervising directors and senior management. After February 2016, Mr. Jin did not hold any position in RiseSun Holdings Group. In March 2011, Mr. Jin founded Beijing jiahe-jinhui Venture Investment Co., Ltd. (北京佳禾金輝創業投資公司), a company mainly engaged in investment management and business consulting. He currently serves as its chairman of the board and general manager, and is mainly responsible for strategic planning and daily operation management. He has acted as an independent non-executive director of RiseSun Real Estate Development since November 2022.

Mr. Jin currently serves as a director at Oxford Vacmedix UK Ltd. and Changzhou Niujin Shisong Biotechnology Co., Ltd. (常州牛津石鬆生物科技有限公司), all of which are mainly engaged in the development of biomedical and biotechnology, technology transfer and provision of technical services. He is responsible for formulating company strategies and development plans.

Mr. Jin graduated from Beijing Institute of Petrochemical Technology (北京石油化工學院) in the PRC in July 1994, where he obtained a bachelor’s degree in accounting. He graduated from Nanyang Technological University in Singapore in May 2005, where he obtained a master’s degree in business administration. He graduated from Tianjin University of Finance and Economics (天津財經大學) in the PRC in December 2010, where he obtained a doctor’s degree in finance. Mr. Jin was certified as a Certified Public Accountant by Ministry of Finance in the PRC in May 1997. He obtained the Independent Director Qualification Certificate awarded by the Securities Association of China (中國證券業協會) in July 2003. He obtained the Independent Director Qualification Certificate awarded by the Shenzhen Stock Exchange in November 2022.

Mr. Xu Shaohong Alex (許少宏) (“Mr. Xu”), aged 58, was appointed as an independent non-executive Director on August 22, 2022 and is responsible for providing independent advice to the Board.

Mr. Xu worked in the customer service department of HSBC Hong Kong Branch from 1993 to 2000; served as an assistant manager of the international private bank department of Citibank from 2000 to 2002; served as a department manager of customer service centre of HSBC from 2002 to 2003; served as a director of UBS Hong Kong Branch from 2005 to 2008; served as an executive director of Merrill Lynch (Asia Pacific) Limited from 2008 to 2009; served as a vice president of the private bank department of Credit Suisse from 2009 to 2011, responsible for private banking product sales and customer service; served as a managing director of the investment bank department of Guosen Securities (Hong Kong) Co., Ltd. (國信證券(香港)有限公司) from January 2011 to April 2012, responsible for corporate financing and stock sales. Since 2012, Mr. Xu has been in charge of the team sales management and internal control as well as compliance duties. He served as a managing director for China area of private bank department of BNP Paribas Hong Kong Branch from 2012 to 2016, responsible for review of team accomplishments and performance and other financial reports during his term of office; served as a managing director of Jupai Hong Kong Investment Limited (鉅派香港投資有限公司) from 2017 to 2018; and served as a vice president and the head of wealth and sale department of Hong Kong Kaisa Technology Financial Group (香港佳兆業科技金融集團) from 2018 to 2021. In 2022, he worked at Myriad Asset Management Company (萬方資產管理公司), responsible for review of department performance and financial reports including reporting the financial statements of the entire finance department to the board of directors. Mr. Xu has more than 30 years' experience in the area of commercial bank, investment bank and private bank service with extensive experience of financial services in Hong Kong and mainland China, and has expertise in stock block transactions and real estate project financing and providing professional investment advisory and asset management services.

Mr. Xu graduated from Shenzhen University in 1992, with a bachelor's degree in arts, and has type 1, 4 and 9 licenses issued by Hong Kong Securities and Futures Commission and Hong Kong Monetary Authority.

Mr. Tang Yishu (唐義書) (“Mr. Tang”), aged 55, was appointed as an independent non-executive Director on August 18, 2020 and is responsible for providing independent advice to the Board.

From July 1993 to September 1998, Mr. Tang worked as a teacher at Beijing Wuzi University (北京物資學院). From September 1998 to June 2004, he successively served as a project manager, a department manager, the deputy general manager and a partner at Zhongshi Certified Public Accountants Co., Ltd. (中實會計師事務所有限責任公司), where he was mainly responsible for business development and overall management of the audit department. From July 2004 to September 2009, he worked as a partner and a deputy chief accountant at Beijing Lixin Changjiang Certified Public Accountants Co., Ltd. (北京立信長江會計師事務所有限公司), where he was mainly responsible for business development and overall management of the audit, consulting and quality control departments. From September 2009 to November 2017, he was a partner at Reanda Certified Public Accountants LLP (利安達會計師事務所(特殊普通合夥)). He is currently a partner at Zhongxinghua Certified Public Accountants LLP (中興華會計師事務所(特殊普通合夥)). Since February 2022, he has been serving as an independent non-executive director of Huarui Transportation Technology Co., Ltd. (華睿交通科技股份有限公司) and since January 2024, he has been serving as the chairman of the supervisory committee of the Beijing Military-Civilian Integration Industry and Finance Service Association (北京軍民產融服務協會).

Mr. Tang graduated from Beijing Wuzi University (北京物資學院) in the PRC in July 1993, where he obtained a bachelor's degree in management engineering. He graduated from Deakin University in Australia in August 2002, where he obtained a master's degree in accounting. Mr. Tang is currently a Certified Public Accountant in the PRC and a Certified Public Accountant in Australia.

BIOGRAPHIES OF SENIOR MANAGEMENT

Mr. Zhang Jian (張健) (“Mr. Zhang”), aged 43, was appointed as a deputy general manager in March 2023, who is responsible for the management of quality. He joined Langfang RiseSun Property Company (廊坊榮盛物業公司) in April 2006. From April 2006 to June 2008, he worked as a monitor, customer service staff, customer service supervisor and assistant manager in the management department of Arcadia. In June 2008, he was transferred to Langfang RiseSun Property Cangzhou Branch (廊坊榮盛物業滄州分公司) as assistant manager. He was then promoted to property manager in July 2010, and to property director in January 2016. Additionally, he was concurrently appointed as general manager of the Cangzhou Shenghui Commercial Management Co., Ltd. (滄州盛惠商業管理有限公司) from March 2017 to July 2022. From February 2019 to March 2023, he held the position of general manager of Roiserv Cangzhou Branch.

Mr. Zhang graduated from Hebei University in the PRC in January 2015 with a bachelor’s degree in business administration.

Mr. Su Yunhong (蘇雲紅) (“Mr. Su”), aged 49, was appointed as a deputy general manager of the Group in January 2025, who is responsible for the management of investment and development. From November 1995 to November 2002, he served in the Beijing-based military unit; from January 2003 to July 2009, he worked for Beijing Yeland Real Estate Development Co., Ltd. (北京億城房地產開發有限公司) as senior manager of the preliminary and general department; from July 2009 to December 2016, he worked for Beijing Hehe Huafu Real Estate Co., Ltd. (北京華府置業投資管理有限公司) as the regional general manager of Beijing; from December 2016 to January 2025, he worked for RiseSun Xingcheng (Xinglong) Park Construction and Development Company Limited (榮盛興城(興隆)園區建設發展有限公司) as deputy general manager and general manager in the Xuanhua Industrial Park (宣化產業園), general manager of Xinglong Shenganlong Municipal Engineering Service Company Limited (興隆縣盛安隆市政工程服務有限公司), and general manager of the Xinglong Industrial Park (興隆產業園).

Mr. Su graduated from a military academy in June 2002 with a bachelor’s degree in economics and management, and graduated from Jilin University (吉林大學) in July 2014 with a master’s degree in information management and information systems.

CORPORATE GOVERNANCE REPORT

Corporate Governance Practice

The Group is committed to achieving a high standard of corporate governance to protect the Shareholders' overall interests.

Since the Listing, the Company has adopted and applied the Corporate Governance Code as its own corporate governance code. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code that were in force for the year ended December 31, 2025.

BOARD OF DIRECTORS

Composition of the Board

As at the date of this report, the Board consists of three executive Directors (namely Mr. Wu Qiuyun (Chairman), Ms. Liu Hongxia and Mr. Long Xiaokang), one non-executive Director (namely Mr. Zhang Wenge), and three independent non-executive Directors (namely Mr. Jin Wenhui, Mr. Xu Shaohong Alex and Mr. Tang Yishu). An updated list of Directors and their roles and functions is posted on the websites of the Stock Exchange and the Company, respectively. Their names and biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" of this report. The Board is responsible for the overall management of the Company's operations, as well as overseeing and formulating its business strategy.

Apart from the information disclosed in the section headed "Biographical Details of Directors and Senior Management" of this report, there is no financial, business, family and other material or relevant relationship among the respective Directors, the chairman and the president of the Company.

For the year ended 31 December 2025, the Board has consistently complied with Rules 3.10(1) and (2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors and at least one independent non-executive Director who shall have appropriate professional qualifications or accounting and financial management expertise. The three independent non-executive Directors account for over one-third of the Board, which meets the requirements of Rule 3.10A of the Listing Rules, that is, the independent non-executive directors of the listed issuer must represent at least one-third of the board. The Board believes that it has sufficient independence to safeguard the interests of the Shareholders.

DUTIES OF DIRECTORS

The Board is responsible for overseeing all major matters of the Company, including formulating and approving all policy matters, overall strategy, internal control and risk management systems, and supervising the duty performance of senior management. Directors shall make objective decisions based on the Company's overall interests. As at the date of this report, the Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The names and biographical details of the Directors are listed in the section headed "Biographical Details of Directors and Senior Management" of this report.

The liability insurance of the Directors and senior management of the Company is maintained by the Company during the year ended December 31, 2025 to prevent and cover certain legal liabilities that may arise in the course of performing their duties.

BOARD AUTHORISATION

The management consisting of executive Directors and other senior management is authorised to implement the strategies and guidelines approved by the Board and is responsible for the day-to-day management and operations of the Group. The executive Directors and senior executives meet regularly to review the performance of the Group's overall business, co-ordinate overall resources, and make financial and operating decisions. The Board also gives clear instructions on its management powers (including circumstances where the management should report to it) and will regularly review the authorisation arrangements to ensure that they are suitable for the needs of the Group.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare the Group's consolidated financial statements in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibility to ensure the timely release of the Group's consolidated financial statements. The Directors are not aware of any significant uncertainties related to events or conditions, and these uncertainties may have a significant impact on the Company's ability to continue as a going concern. Therefore, the Directors have prepared the consolidated financial statements of the Group in accordance on a going concern basis.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Independent non-executive Directors play an important role in the Board through of their independent judgments, and their views are of great significance in the decision of the Board. The functions of independent non-executive Directors include providing impartial views and judgments on the Company's strategy, performance and control; and reviewing the Company's performance and monitoring performance reports.

All independent non-executive Directors have extensive academic, professional, industry knowledge and management experience, and have made positive contributions to the Company's development by providing professional advice to the Board.

Confirmation of independence

The independence of the independent non-executive Directors has been assessed in accordance with the applicable Listing Rules, and the Company has received from each independent non-executive Director an annual written confirmation of his/her independence with reference to the factors set out under Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and are independent.

INDEPENDENCE MECHANISMS

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall at all times comprise at least three independent non-executive Directors representing at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the Nomination Committee is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunities and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended December 31, 2025.

BOARD DIVERSITY POLICY

The Board has adopted the Board Diversity Policy, which sets out the approach to achieve board diversity. The Company recognises and embraces the benefits of a diverse board and considers board-level diversity to be an important element in supporting the achievement of the Company's strategic goals and sustainable development. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and years of service. All Board appointments are based on merit management and consideration of candidates based on objective criteria with the benefits of board diversity fully taken into account.

During the year ended December 31, 2025, the Board had seven Directors with comprehensive and balanced knowledge, skills and experience in the areas of property management, accounting, investment, engineering and financial management. They had obtained various professional degrees, including engineering, business management, economics and accounting. The Board had three independent non-executive Directors who had different industry backgrounds, accounting for over one-third of the Board members.

Regarding gender diversity in the Board, the Company appointed Ms. Liu Hongxia as an executive Director of the Company on August 22, 2022, which was approved by the Shareholders. The Board is satisfied with the current gender diversity of the Board. The Board aims to maintain at least one female Director and will consider appointing more female Directors in the future should there be suitable candidates. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female senior management and potential successors to the Board in the future.

The Nomination Committee is responsible for ensuring the diversity of Board members and will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

Gender Diversity of Employees

As at 31 December 2025, the Group has a total of 7,002 employees and the ratio of male to female employees is approximately 1:0.89. The Nomination Committee considered that the current ratio of male to female employees is relatively balanced, and the Group will continue to maintain the gender diversity in workforce despite the fact that the two senior management are both males as disclosed in the section headed “Biographical Details of Directors and Senior Management” of this report. The Company will also ensure the gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female employees and potential successors to the senior management in the future.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

According to the Articles of Association, Directors shall be elected at the shareholders' meeting and the term of office of the Directors (including non-executive Directors) is from the date of passing the resolutions at the shareholders' meeting to the expiry date of the term of office of the Board of that session. The term of each session of the Board is three years, and the Directors are eligible for re-election upon expiry of the term.

At any time before the expiry of the Director's term, the Shareholders may dismiss any Director by an ordinary resolution at any shareholders' meeting convened and held in accordance with the Articles of Association, despite the contrary in the Articles of Association or the existence of any agreement reached between the Company and the Director (but without prejudice to any claim for damages under that agreement).

DIRECTOR TRAINING AND PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives comprehensive, formal and customised training at the time of appointment. Subsequently, the Directors will receive updates on the Listing Rules, legal and other regulatory requirements, as well as the Group's business development, and they will be encouraged to participate in continuous professional development to expand their knowledge and skills. Mr. Wu Qiuyun was appointed on October 21, 2025, and has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on October 17, 2025. Mr. Wu Qiuyun confirmed that he understands his duties as a Director of the Company. For the year ended December 31, 2025, all the Directors (namely Mr. Wu Qiuyun, Ms. Liu Hongxia, Mr. Long Xiaokang, Mr. Zhang Wenge, Mr. Jin Wenhui, Mr. Xu Shaohong Alex and Mr. Tang Yishu) participated in the continuous professional development plan and have complied with the code provision C.1.4 of the Corporate Governance Code and participated in continuous professional development including attending training relating to the Group's businesses, updates on the Listing Rules, legal and regulatory requirements and corporate governance practices, and read relevant materials to keep themselves abreast of regulatory developments and changes, to develop and refresh their knowledge and skills.

CORPORATE GOVERNANCE REPORT

During the reporting period, the training received by the Directors was as follows:

Directors received training during the reporting period	Type ^{Note}
Executive Directors	
Mr. Wu Qiuyun (<i>Chairman</i>) (<i>appointed on October 21, 2025</i>)	A and B
Mr. Geng Jianfu (<i>resigned on September 18, 2025</i>)	B
Ms. Liu Hongxia	A and B
Mr. Long Xiaokang	A and B
Non-executive Director	
Mr. Zhang Wenge	A and B
Independent Non-executive Directors	
Mr. Jin Wenhui	A and B
Mr. Xu Shaohong Alex	A and B
Mr. Tang Yishu	A and B

Notes:

- A. Attend seminars, conferences, forums and/or training courses organised by the Company or external organisations.
- B. Carefully review materials provided by the Company or external parties, such as those relating to business updates, directors' duties and responsibilities, corporate governance and regulatory updates, and other applicable regulatory requirements.

BOARD MEETING

The Board meets regularly to discuss and formulate the overall strategy, operations and financial performance of the Group. Directors can participate in person or through electronic communication. In accordance with C.5.1 of the Corporate Governance Code, the Board will hold at least four regular meetings per year at a frequency of approximately once a quarter, and will arrange ad hoc meetings if necessary. The date of each regular meeting is set in advance so that the Directors can attend the meeting in person. In accordance to C.2.7 of the Corporate Governance Code, the Chairman will also hold at least one meeting with the independent non-executive Directors without the presence of other Directors per year. As of December 31, 2025, the Chairman has arranged one relevant meeting with the independent non-executive Directors.

During the year ended December 31, 2025, the Directors made positive contributions to the affairs of the Group and had held 10 Board meetings.

Attendance records of Directors

During the year ended December 31, 2025, the attendance records of the Directors at Board meetings, meetings of special committees under the Board and shareholders' meeting are as follows:

Name	Number of meetings attended in 2025/number of meetings held during the Director's office				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Shareholders' Meeting
Executive Directors					
Mr. Wu Qiuyun (<i>Chairman</i>) (<i>appointed on October 21, 2025</i>)	N/A	N/A	N/A	N/A	N/A
Mr. Geng Jianfu (<i>resigned on September 18, 2025</i>)	10/10	N/A	1/1	2/2	2/2
Ms. Liu Hongxia	10/10	N/A	N/A	1/1	3/3
Mr. Long Xiaokang	10/10	N/A	N/A	N/A	3/3
Non-executive Director					
Mr. Zhang Wenge	10/10	4/4	N/A	N/A	3/3
Independent Non-executive Directors					
Mr. Jin Wenhui	10/10	4/4	1/1	1/1	3/3
Mr. Xu Shaohong Alex	10/10	4/4	N/A	2/2	3/3
Mr. Tang Yishu	10/10	N/A	1/1	2/2	3/3

BOARD EVALUATIONS

The Board regularly conducts formal evaluations of its own performance and the performance of its committees and Directors to ensure that it continues to effectively fulfill its duties. These evaluations are conducted internally.

During the reporting period, the Board evaluated its own performance through data collection and review of the attendance of Directors at Board meetings and meetings of special committees, biographical details of Directors and their employment in external organizations, training of Directors and other information and held discussions at special meetings, primarily including the structure and composition of the Board, diversification of Board members, independence of independent non-executive Directors and holding of significant positions held significant positions by Board members. Board evaluations help to provide broader topics for Board meetings and training of Directors to facilitate more interactions between Board members and senior management and strengthen Board procedures and governance practices.

After evaluations, the Board believes that the Board maintains effective performance of its duties and that its composition can support the long-term sustainable growth of the Company.

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Xu Shaohong Alex has been appointed as lead independent non-executive director, the responsibilities of the lead independent non-executive director are no different from or higher than those of other independent non-executive directors. The principal responsibility of Mr. Xu Shaohong Alex in his capacity as lead independent non-executive director is to promote and enhance communication in three areas: (i) between independent non-executive directors; (ii) between independent non-executive directors and other members of the Board; and (iii) between the Company and its shareholders (particularly minority shareholders).

NOMINATION POLICY

The Nomination Committee adopts a variety of methods to determine candidates for Directors, including recommendations from Board members and the management. In addition, the Nomination Committee will consider Director candidates appropriately submitted by Shareholders. The evaluation of the Nomination Committee on Director candidates may include, but is not limited to, review of resumes and work experience, personal interviews, verification of professional and personal recommendation letters, and performing background checks. The Board will consider the recommendations from the Nomination Committee and be responsible for designating candidates for Directors to be elected by Shareholders at the Company's shareholders' meeting, or appointing suitable candidates to serve as Directors to fill Board vacancies or as additional Board members, and to comply with the Articles of Association. All Director appointments should be confirmed through a letter of appointment and/or service contract, which should set out the main terms and conditions of Director appointment.

The Nomination Committee should consider the following eligibility requirements, which are minimum requirements for candidates to recommend to the Board potential new Directors or to continue to provide existing Directors:

- the highest personal and professional ethics and integrity;
- proven achievements and abilities of the nominee and exercise of reasonable business judgment;
- complementary skills with existing Board;
- ability to assist and support management and make a significant contribution to the Company's success;
- understand the fiduciary duties required by Board members and the time and effort required to perform their duties diligently; and
- independence: independent non-executive Director candidates should meet the "independence" requirements under Rule 3.13 of the Listing Rules, and the composition of the Board should meet the requirements of the Listing Rules.

The Nomination Committee may also consider other factors that are considered to be in the interests of the Company and the Shareholders as a whole.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Since the Listing, the Company has adopted the Model Code as the guidelines for Directors' dealings in the securities of the Company. Upon specific enquiries with all Directors, each of them has confirmed that during the year ended December 31, 2025, he/she has complied with the Model Code.

According to the Company's requirements, the relevant management personnel and employees of the Company are also bound by the Model Code, which prohibits them from trading in the Company's securities at any time when they have inside information related to the securities. The Company was not aware of any incidents of violations of the Model Code by relevant personnel and employees.

REMUNERATION OF SENIOR MANAGEMENT

According to code provision E.1.5 of the Corporate Governance Code, the annual remuneration of senior management (other than Directors) by band for the year ended December 31, 2025 is as follows:

	Number of senior management
Nil to RMB1,000,000	2
RMB1,000,001 to RMB1,500,000	0

DIVIDEND POLICY

Subject to compliance with applicable laws and regulations and the Articles of Association, the Group expects that the annual dividend payout shall not be less than 25% of the after-tax profit. The payment and amount (if any) of dividends depend on the Group's operating results, cash flow, financial position, legal and regulatory restrictions on dividends, future prospects and other relevant factors. Shareholders will be entitled to receive the dividend on a pro-rata basis based on the paid-up Shares paid or credited to the Shares. The declaration, payment and amount of dividends will be completely determined by the Company. The proposed payment of dividends must also be at the discretion of the Board, and any announcement of the final dividend must be approved by Shareholders. The Board will review the dividend policy annually and does not guarantee that dividends will be declared or paid for any particular amount for any given period.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing corporate governance duties, including:

- develop and review the Company's policies and practices regarding corporate governance;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's compliance with policies and practices required by laws and regulations;
- develop, review and monitor codes of conduct and compliance manuals applicable to employees and Directors; and
- review the Company's compliance with the Corporate Governance Code.

For the year ended December 31, 2025, the Board has performed the above duties.

CHAIRMAN AND GENERAL MANAGER

For the year ended December 31, 2025, the chairman and the general manager were held by different individuals. The chairman is Mr. Wu Qiuyun, and the general manager is Ms. Liu Hongxia. The separation of responsibilities between the chairman and general manager ensures that the responsibilities of the chairman in managing and leading the Board are clearly different from those of general manager in managing the Company's business.

BOARD COMMITTEES

The Board has established three committees, namely Audit Committee, Remuneration Committee and Nomination Committee, with respective written terms of reference to oversee related affairs of the Group.

AUDIT COMMITTEE

The Company established the Audit Committee in accordance with Rules 3.21 to 3.23 of the Listing Rules and established written terms of reference in accordance with the Corporate Governance Code. The main duties of the Audit Committee are to review and supervise the Group's financial reporting procedures and internal control systems, risk management and internal audit, provide advice to the Board, and perform other duties that the Board may delegate.

As of the date of this report, the Audit Committee consists of three members, including two independent non-executive Directors, Mr. Xu Shaohong Alex and Mr. Jin Wenhui, and one non-executive Director, Mr. Zhang Wenge. The chairman of the Audit Committee is Mr. Xu Shaohong Alex. Mr. Jin Wenhui was certified as a Certified Public Accountant by the Ministry of Finance of the PRC in May 1997 and has appropriate accounting and related financial management expertise, which meets the requirements of Rule 3.21 of the Listing Rules. Pursuant to the terms of reference of the Audit Committee, Audit Committee meeting shall be held at least twice every year or more frequently if circumstances require.

During the year ended December 31, 2025, the Audit Committee held four meetings and met with the Company's senior management and independent auditors to, among others, (1) consider the Group's annual results for the year ended December 31, 2024 and the interim results of the Group for the six months ended June 30, 2025; (2) review and discuss the Group's risk management and internal control systems, the effectiveness of the Company's internal audit and risk control functions; and (3) re-appoint the auditor.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee in accordance with Rules 3.25 to 3.27 of the Listing Rules and the Corporate Governance Code and has established its written terms of reference. The main responsibilities of the Remuneration Committee are to formulate policies on remuneration for Directors and senior management, and to establish formal and transparent procedures to formulate remuneration policies and provide recommendations to the Board; make recommendations to the Board on the remuneration package of each executive Director and senior management, and review and approve performance-based compensation with reference to corporate goals achieved from time to time. The remuneration of all Directors and senior management is regularly monitored by the Remuneration Committee to ensure that their remuneration levels are appropriate.

As of the date of this report, the Remuneration Committee consists of three members, including an executive Director, Mr. Wu Qiuyun, and two independent non-executive Directors, Mr. Tang Yishu and Mr. Jin Wenhui. The chairman of the Remuneration Committee is Mr. Tang Yishu.

During the year ended December 31, 2025, the Remuneration Committee held one meeting to (1) review the Company's policy for the remuneration of the executive Directors; (2) assess the performance of the executive Directors and review the terms of their service contracts; (3) consider recommending the Shareholders to authorise the Board to fix the remunerations of the Directors; and (4) make recommendations on the remuneration packages of the executive Directors and senior management, and submit the proposal to the Board for approval. During the reporting period, the Remuneration Committee had no matters relating to the equity incentive scheme to discuss.

NOMINATION COMMITTEE

The Company has established the Nomination Committee in accordance with Rule 3.27A and the Corporate Governance Code, with written terms of reference. The main duties of the Nomination Committee are to regularly review the structure, size and composition of the Board and make recommendations to the Board on any proposed changes to the composition of the Board; determine and select Board members or nominate Director candidates, and make recommendations to the Board and ensure diversity of board members; assess the independence of independent non-executive Directors and make recommendations to the Board on matters related to appointment, re-appointment and removal of Directors, and Director succession plans.

As of the date of this report, the Nomination Committee consists of five members, including two executive Directors, Mr. Wu Qiuyun and Ms. Liu Hongxia, and three independent non-executive Directors, Mr. Jin Wenhui, Mr. Xu Shaohong Alex and Mr. Tang Yishu. The chairman of the Nomination Committee is Mr. Wu Qiuyun.

During the year ended December 31, 2025, two meetings were held to review the change of a Director; review the structure, size and composition of the Board of the Company, review the Board Diversity Policy, the measurable goals therefor and the progress towards such goals; evaluate the independence of independent non-executive Directors and submit the proposal to the Board for approval.

FINANCIAL REPORTING SYSTEM, RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Financial Reporting System

The Board, with the support of the financial department, is responsible for preparing the financial statements of the Company and the Group. As stated in the section headed "Report of the Board of Directors – Accounting Standards" of this report, CASBE was adopted and appropriate accounting policies were consistently used and applied in preparing the financial statements. The purpose of the Board is to make a clear and balanced assessment of the Group's performance in its annual and interim reports to Shareholders, and to make appropriate disclosures and announcements in a timely manner. Under code provision D.1.1 of the Corporate Governance Code, the management will provide explanations and information to the Board to enable it to make an informed assessment of financial and other information submitted to the Board for approval.

The scope of work and reporting responsibilities of ShineWing Certified Public Accountants LLP, the Company's external auditor, are set out in the "Auditor's Report" on pages 73 to 78 of this report.

Risk Management and Internal Control Systems

The Board acknowledges its overall responsibility for maintaining adequate and effective risk management and internal control systems of the Group on an on-going basis and reviewing their effectiveness at least annually.

The Board and senior management are responsible for establishing, reviewing and implementing the Group's risk management and internal control systems. The internal control system covers all major aspects of the Group's operations, including sales, procurement, financial reporting, asset management, budget and accounting processes. The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Group also has internal audit and risk control functions, which mainly analyze and independently evaluate the adequacy and effectiveness of risk management and internal control systems, and report its findings to the senior management at least annually.

Regarding the Group's risk management and internal control measures, the Group has formulated a comprehensive set of policies and guidelines, which detail all aspects of internal control standards, process used to identify, evaluate and manage significant risks, division of responsibilities, approval procedures, and personnel accountability. The Group also conducts regular internal assessments and training to ensure that its employees have sufficient knowledge of these policies and guidelines. For the year ended December 31, 2025, the Group has implemented procedures and internal controls to process and disclose inside information. In particular, the Group:

- has handled in strict accordance with the disclosure requirements of the Listing Rules and the Inside Information Disclosure Guidelines issued by the Securities and Futures Commission of Hong Kong in June 2012;
- has established its own disclosure obligation procedures that set out procedures and controls for assessing potential internal information and for processing and disseminating internal information. The procedures have been communicated to the Company's senior management and employees and the Company monitors its implementation; and
- made extensive, non-exclusive information disclosure to the public in financial reports, announcements and through channels such as websites.

The risk management and internal control systems are continuously reviewed and evaluated by the Audit Committee and executive Directors, and will be further reviewed and evaluated by the Board at least annually, covering all material controls, including financial, operational and compliance controls. During the year ended December 31, 2025, the Board, through the Audit Committee, has reviewed the Company's internal control and risk management systems and considered the systems to be effective and adequate.

AUDITOR'S REMUNERATION

For the year ended December 31, 2025, the remuneration for the audit services of ShineWing Certified Public Accountants (Special General Partnership) was RMB2 million (non-audit services: nil).

JOINT COMPANY SECRETARIES

For the year ended 31 December 2025, Mr. Long Xiaokang (the executive Director and the Board secretary) and Mr. Diao Shaolong acted as joint company secretaries. For the year ended December 31, 2025, Mr. Long Xiaokang and Mr. Diao Shaolong have complied with the relevant professional training requirements under Rule 3.29 of the Listing Rules by taking at least 15 hours of relevant professional training to update their skills and knowledge.

SHAREHOLDERS' RIGHT

The Company treats all Shareholders equally with a view to ensuring that their rights can be fully exercised and their legitimate interests can be safeguarded and that the shareholders' meeting can be convened and held in strict compliance with the relevant laws and regulations. The Company's corporate governance structure is to ensure that all Shareholders, especially the minority Shareholders, can enjoy equal benefits and undertake corresponding responsibilities.

Convening an Extraordinary General Meeting

Pursuant to the requirements of the Articles of Association, the Board may convene an extraordinary general meeting as it thinks fit. Shareholders requisitioning extraordinary general meetings shall abide by the following procedures:

A shareholder or shareholders holding, individually or jointly, ten percent or more of the Company's shares (excluding any treasury shares) have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, provide a written response agreeing or disagreeing to convene the extraordinary general meeting within ten days of receiving the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the meeting within five days of the Board's resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within ten days of receiving the request, a shareholder or shareholders holding, individually or jointly, ten percent or more of the Company's shares (excluding any treasury shares) have the right to propose to the Audit Committee that an extraordinary general meeting be convened, and shall submit the request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the meeting within five days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the shareholders' meeting, and a shareholder or shareholders holding, individually or jointly, ten percent or more of the Company's shares (excluding any treasury shares) for 90 consecutive days or more may convene and preside over the meeting on their own.

For a shareholders' meeting convened by the Audit Committee or shareholders on their own initiative, the Board of Directors and the secretary to the Board of Directors shall provide cooperation. The Board of Directors will provide the register of shareholders for the share registration date. For a shareholders' meeting convened by the Audit Committee or shareholders on their own initiative, the necessary expenses for the meeting shall be borne by the Company.

Procedures to Put Forward Motions at Shareholders' Meeting by Shareholders

Shareholders may make recommendations at the shareholders' meeting by two means: proposing a provisional resolution at shareholders' meetings and requiring the right to speak at the shareholders' meeting.

When the Company convenes a shareholders' meeting, the Board, the Audit Committee and shareholder(s) individually or jointly holding more than 1% of the total number of shares (excluding any treasury shares) of the Company carrying voting rights shall be entitled to put forward provisional proposals to the Company in writing which should be submitted to the convener 10 days prior to the convening of the shareholders' meeting. The provisional proposals shall have specific topics for discussion and resolution details. The convener shall issue a supplementary notice of the shareholders' meeting and announce the contents of the provisional proposal, and shall submit the provisional proposals to the shareholders' meeting for consideration within two days after receiving the proposals.

Shareholders may submit and serve the motions directly through ir@roiserv.com.

Shareholders attending the shareholders' meeting may require the right to speak. The right to speak at shareholders' meetings can be conducted in writing and verbally. Shareholders or proxies requiring the right to speak shall register with the secretary to the Board or the chairman of the meeting prior to voting. The order of speaking shall follow the registration order.

Making Inquiry to the Board and Shareholders' Communication Policy

Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company. Such questions, requests and comments can be addressed to the Company by mail to RiseSun Development Mansion, 81 Xiangyun Road, Langfang Economic and Technological Development Area, Langfang, Hebei Province, the PRC (中國河北省廊坊市經濟技術開發區祥雲道81號榮盛發展大廈) or by email to ir@roiserv.com.

The Company ensures prompt dissemination of corporate communications to enable Shareholders and other stakeholders to keep abreast of the Group's business and developments so that they can make informed decisions. It publishes regulatory announcements and other corporate communications on its website.

The Company maintains balanced, clear and transparent communications with Shareholders to facilitate their understanding of the Group's performance and business operations, the Company has ongoing dialogue with the Shareholders and other investors through various communication channels and takes any areas of concern into consideration in formulating its business strategies. Shareholders may at any time make enquiries to the Board as described above or directly by raising questions at shareholders' meetings.

The Board welcomes views of the Shareholders and encourages them to attend shareholders' meetings to raise any concerns they might have with the Board or the management directly. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by the Shareholders.

The Board has reviewed the shareholders' communication policy and its effectiveness was confirmed after considering the facts disclosed above.

CONSTITUTIONAL DOCUMENTS

During the year ended December 31, 2025, the Company amended its Articles of Association to (i) update and bring the Articles of Association in line with the latest regulatory requirements under the Company Law, the Guidelines for Articles of Association of Listed Companies, and other relevant laws and regulations; (ii) better align the Articles of Association with the actual circumstances and needs of the Company; and (iii) in order to further improve corporate governance, the Company will no longer have Supervisory Committee and the position of Supervisors, and the functions and powers previously exercised by the Supervisory Committee under the Company Law and the Articles of Association will be taken over by the Audit Committee and the duties of Supervisors of the original Supervisory Committee will be naturally dispensed with. These amendments have been approved by the Shareholders.

Details of the amendments are set out in the Company's announcement and circular dated September 30, 2025. The latest version of the Articles of Association are available on the Company's website (www.roiserv.com) and the Stock Exchange's website (www.hkexnews.hk).

REPORT OF THE BOARD OF DIRECTORS

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

PRINCIPAL BUSINESS

The Company and its subsidiaries are principally engaged in community services, commercial services, urban services and peripheral services. An analysis on the Group's revenue and operating results for the year ended December 31, 2025 is set out in Note V to the consolidated financial statements of this report.

GEOGRAPHICAL ANALYSIS OF OPERATION

An analysis of the Group's revenue from operations by geographical locations of customers for the year ended December 31, 2025 is set out on page 29 of this report.

RESULTS AND OVERALL PERFORMANCE

The Group's results for the year ended December 31, 2025 are set out in the Consolidated Income Statement of this report.

BUSINESS REVIEW

The Group's business review, including the discussion on the major risks and uncertainties exposed to the Group and the potential business development course of the Group in the future, is set out in the sections headed "Report of the Board of Directors" and "Management Discussion and Analysis", which are on pages 60 to 72 and pages 19 to 40 of this report, respectively.

Details of the significant events which affected the Group and took place since the end of the financial year ended December 31, 2025 are set out in Note XIV to the consolidated financial statements on page 240 of this report. "Management Discussion and Analysis" on pages 19 to 40 of the annual report contains part of the analysis on the Group's annual performance using key financial performance indicators. For explanations on the major relations between the Company and its employees, customers and suppliers, please refer to the section headed "Management Discussion and Analysis – Employees and Remuneration Policy" and the section headed "Report of the Board of Directors – Major Customers and Suppliers" of this report. These discussions form part of this Report of the Board of Directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and communities in which it operates. The Group operates its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations. For further details of the Group's environmental policies and performance and discussion on the key relationships with the Group's major stakeholders, please refer to the environmental, social and governance report of the Company for the year ended December 31, 2025 published on the websites of the Stock Exchange and the Company.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended December 31, 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

FINAL DIVIDEND

The Board resolved not to recommend the payment of final dividend for the year ended December 31, 2025 (2024 final dividend: Nil). As at December 31, 2025, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed as appropriate as set out below:

For determining the entitlement to attend, speak and vote at the AGM

For determining the entitlement to attend, speak and vote at the AGM, the Register of Members will be closed from Tuesday, June 23, 2026 to Friday, June 26, 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend, speak and vote at the AGM, unregistered holders of H Shares shall lodge all the share transfer documents accompanied by the relevant share certificates with the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for the registration of transfer of shares not later than 4:30 p.m. on Monday, June 22, 2026. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM is on Friday, June 26, 2026.

WITHHOLDING AND PAYMENT OF INCOME TAX

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

Pursuant to the Notice on the Issues Regarding Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Company shall withhold and pay individual income tax for individual holders of H Shares. If the individual holders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. However, by virtue of the requirements of the relevant competent tax authorities in the PRC, if such Shareholders are unable to provide the relevant tax residency identification certificates on the payment date, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may provide assistance, provided that the relevant Shareholders submit the required documents and information in a timely manner.

REPORT OF THE BOARD OF DIRECTORS

If the individual holders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may apply, on behalf of such Shareholders and according to the relevant tax treaties, for the relevant agreed preferential tax treatment, provided that the relevant Shareholders submit the relevant documents and information in a timely manner required by the Administrative Measures on Enjoying Treatment under Tax Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement 2015, No. 60) (《非居民納稅人享受稅收協議待遇管理辦法》(國家稅務總局公告2015年第60號)) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to the approval of the competent tax authorities.

If the individual holders of H Shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders. Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares of the Company in the PRC and in Hong Kong and other tax effects.

Pursuant to the relevant provisions under the Circular on Relevant Taxation Policies on the Pilot Interconnected Trading and Interoperability Mechanism between the Stock Markets of Shenzhen and Hong Kong (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends and bonus received by domestic investors from investing in H shares listed on the Stock Exchange through southbound trading, the company of such H shares shall withhold individual income tax at the rate of 20% on behalf of the investors. For dividends and bonus received by domestic securities investment funds from investing in shares listed on the Stock Exchange through southbound trading, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold the income tax for dividends and bonus on behalf of domestic enterprise investors and those domestic enterprise investors shall declare and pay the relevant tax themselves.

FIXED ASSETS

Details of the movements in the fixed assets of the Group for the year ended December 31, 2025 are set out in Note V. 13 to the financial statements in this report.

BORROWINGS

For the year ended December 31, 2025, the Group had short-term borrowings of RMB3.0 million which will due within one year.

SHARE CAPITAL

Details of the movements in the share capital of the Company for the year ended December 31, 2025 are set out in Note V. 30 to the financial statements of this report.

UNDISTRIBUTED PROFIT

Details of the movements in the undistributed profit of the Company for the year ended December 31, 2025 are set out on in Note V. 33 to the financial statements in this report. For the purpose of the Company, the undistributed profit available for distribution as at December 31, 2025 amounted to RMB829 million.

FINANCIAL STATEMENTS

The results of the Group for the year ended December 31, 2025 and its financial position as at December 31, 2025 are set out in the financial statements on pages 79 to 97 of this report.

DIRECTORS

During the year ended December 31, 2025 and up to the date of this report, the Directors are as follows:

Name of Director	Position
Mr. Wu Qiuyun (<i>Chairman</i>) (<i>appointed on October 21, 2025</i>)	Executive Director
Ms. Liu Hongxia	Executive Director
Mr. Long Xiaokang	Executive Director
Mr. Zhang Wenge	Non-executive Director
Mr. Jin Wenhui	Independent Non-executive Director
Mr. Xu Shaohong Alex	Independent Non-executive Director
Mr. Tang Yishu	Independent Non-executive Director
Mr. Geng Jianfu (<i>resigned on September 18, 2025</i>)	Executive Director

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company and each of the non-executive Directors (including the independent non-executive Directors) has signed an appointment letter with the Company. The appointment of all Directors is effective from the respective appointment date until the expiry of the term of the second session of the Board, subject to the termination by no less than one month's notice in writing served by either party. The term of the second session of the Board is three years.

None of the Directors had entered into specific service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended December 31, 2025, none of the Directors or their respective associates (as defined under the Listing Rules) had any interests in any business which competes or may compete, either directly or indirectly, with the business of the Group.

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

As of December 31, 2025, the interests and short positions of each of our Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO) which is required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which is required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(1) Interests in the Company

Name	Position	Nature of interest	Class of Shares	Shares held in the relevant class of Shares		Percentage of the total share capital of the Company ⁽¹⁾ (approx.)
				Number ⁽¹⁾	Percentage ⁽¹⁾ (approx.)	
Ms. Liu Hongxia	Director	Interest in controlled corporations ⁽²⁾	Domestic Shares	23,733,000 (L)	8.42%	6.31%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares. As at December 31, 2025, the Company had 376,000,000 issued Shares, including 94,000,000 H Shares and 282,000,000 Domestic Shares.
- (2) Ms. Liu Hongxia was a general partner of and had full control over Shengyide Commercial. By virtue of the SFO, Ms. Liu Hongxia is deemed to be interested in the Shares held by Shengyide Commercial.

(2) Interest in associated corporations of the Company

Name	Name of associated corporation	Nature of interest	Interest in shares ⁽¹⁾	Shareholding percentage (approx.)
Mr. Jin Wenhui	RiseSun Holdings	Beneficial owner	2,860,000 (L)	0.44%

Note:

- (1) The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, to the best knowledge of the Directors and as at December 31, 2025, none of the Directors and chief executive of the Company had or was deemed to have interests or short positions in the Shares, underlying Shares and 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 Divisions 7 and 8 of Part XV of the SFO (including their interests and short positions deemed or taken under the relevant provisions of the SFO), or which were required to be entered in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of December 31, 2025, to the best of Directors' knowledge, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares, which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of the Company required to be kept pursuant to section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of shares	Shares held in the relevant class of Shares ⁽¹⁾		Percentage of the total share capital of the Company ⁽¹⁾ (approx.)
			Number	Approximate percentage	
Mr. Geng ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Holdings ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Construction Engineering ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Real Estate Development ⁽²⁾	Beneficial owner	Domestic Shares	235,527,000 (L)	83.52%	62.64%
Zhonghong Kaisheng ⁽³⁾	Beneficial owner	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Ms. Geng Fanchao ⁽³⁾	Interest in controlled corporations	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Mr. Xiao Tianchi ⁽⁴⁾	Interest in controlled corporations	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Shengyide Commercial	Beneficial owner	Domestic Shares	23,733,000 (L)	8.42%	6.31%
CITHARA GLOBAL MULTI-STRATEGY SPC – BOSIDENG INDUSTRY INVESTMENT FUND SP	Beneficial owner	H Shares	8,199,500 (L)	8.72%	2.18%
Cithara Investment International Limited	Investment manager	H Shares	17,999,500 (L)	19.15%	4.79%
Cithara Global Multi-Strategy SPC-Series 12 SP	Beneficial owner	H Shares	5,000,000 (L)	5.32%	1.33%
Tianjin Damai International Holdings Limited	Beneficial owner	H Shares	27,403,000 (L)	29.15%	7.29%
Marvel Access Limited	Beneficial owner	H Shares	10,417,500 (L)	11.08%	2.77%

REPORT OF THE BOARD OF DIRECTORS

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares. The letter “S” denotes the person’s short position in the Shares. As at December 31, 2025, the Company had 376,000,000 issued Shares, including 94,000,000 H Shares and 282,000,000 Domestic Shares.
- (2) The Company’s Domestic Shares was owned as to 83.52% by RiseSun Real Estate Development, which was controlled by Mr. Geng through RiseSun Holdings and RiseSun Construction Engineering. RiseSun Real Estate Development was owned as to 12.88% by Mr. Geng, 17.29% by RiseSun Holdings and 6.36% by RiseSun Construction Engineering. Mr. Geng owned 60.09% of the equity interest of RiseSun Holdings and 18.18% of the equity interest of RiseSun Construction Engineering, and RiseSun Holdings in turn owned 71.29% of the equity interest of RiseSun Construction Engineering. By virtue of the SFO, Mr. Geng, RiseSun Construction Engineering and RiseSun Holdings are deemed to be interested in Shares held by RiseSun Real Estate Development.
- (3) Zhonghong Kaisheng is owned as to 48.83% by Ms. Geng Fanchao. By virtue of the SFO, Ms. Geng Fanchao is deemed to be interested in the Shares held by Zhonghong Kaisheng.
- (4) By virtue of the SFO, Mr. Xiao Tianchi is deemed to be interested in the Shares held by his spouse, Ms. Geng Fanchao.

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

ARRANGEMENT TO PURCHASE EQUITY OR DEBT SECURITIES

During the year ended December 31, 2025, none of the Company, its holding company, or any of its subsidiaries was a party to any arrangement enabling the Directors to acquire benefits by means of the acquisition of equity or debt securities, including the debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the year ended December 31, 2025 and as of December 31, 2025, save as disclosed in this report, there was no transaction, arrangement or contract of significance, to which the Company, its holding company or subsidiary was a party, and in which the Directors or their respective connected entities were materially interested, either directly or indirectly.

NON-COMPETITION UNDERTAKING

On December 19, 2020, each of the Controlling Shareholders entered into a deed of non-competition (the “**Undertakings**”) in favor of the Company, pursuant to which, each of the Controlling Shareholders has, among other things, irrevocably and unconditionally undertaken to the Company that he/she/it will not, and will procure his/her/its close associates not to compete with the Group’s business. Details of the Undertakings are set out in the section headed “Relationship with Controlling Shareholders – Deed of Non-Competition” in the Prospectus.

The independent non-executive Directors had reviewed the status of compliance and the confirmation provided by the Controlling Shareholders as part of the annual review process. On the basis that: (i) the Company has received the confirmations from its Controlling Shareholders regarding the Undertakings; (ii) there was no competing business reported by the Controlling Shareholders; and (iii) there was no particular situation rendering the full compliance of the Undertakings being questionable, the independent non-executive Directors are of the view that the Undertakings have been complied with and been enforced by the Company in accordance with the terms.

SIGNIFICANT CONTRACTS

During the year ended December 31, 2025 and as of December 31, 2025, save as disclosed in the sections headed “Continuing Connected Transactions” and “Connected Transactions” below, there was no significant contract relating to the business of the Group between the Company (or any of its subsidiaries) and the Controlling Shareholder(s) (or any of its/their subsidiaries), nor was there any significant contract for the provision of services by the Controlling Shareholder(s) (or any of its/their subsidiaries) to the Company (or any of its subsidiaries).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2025, the revenue attributable to the Group’s largest customer, and five largest customers in aggregate, represented approximately 1.5% and 4.6% of the Group’s total annual revenue, respectively.

For the year ended December 31, 2025, the purchase attributable to the Group’s largest supplier, and five largest suppliers in aggregate, represented approximately 5.7% and 20.6% of the Group’s total purchase, respectively.

Except that the Controlling Shareholders are the Group's largest customers and are interested in the Group, for the year ended December 31, 2025, none of the other Directors, their respective associates or other Shareholders (to the knowledge of the Directors, who are interested in more than 5% of the issued shares of the Company) had any interests in the five largest suppliers or customers of the Group.

CONTINUING CONNECTED TRANSACTIONS

The following transactions constituted continuing connected transactions of the Group for the year ended December 31, 2025, which are subject to the reporting and annual review requirements under Chapter 14A of the Listing Rules:

1. 2023 Master Property Management Services Agreement

On February 1, 2023, the Company entered into a master property services agreement with RiseSun Real Estate Development (the **"2023 Master Property Management Services Agreement"**), pursuant to which the Group agreed to provide property management services to RiseSun Group and its associates, including but not limited to (i) preliminary planning and design consultancy services; (ii) display units and on-site sales office management services; (iii) property pre-delivery services, including but not limited to property inspection and cleaning before delivery and pre-delivery preparation; and (iv) properties owned or used by RiseSun Real Estate Development Group and its associates, such as unsold property units, car parking lots and commercial properties (the **"Property Management Services"**), for a term commencing from January 1, 2023 and ending on December 31, 2025.

The maximum annual fee payable by RiseSun Group and its associates in relation to the Property Management Services to be provided by the Group under the 2023 Master Property Management Services Agreement for the year ended December 31, 2025 shall not exceed RMB190 million. RiseSun Real Estate Development is a controlling shareholder of the Company and thus a connected person of the Company under the Listing Rules.

For the year ended December 31, 2025, the actual transaction amount under the 2025 Master Property Management Services Agreement amounted to RMB43.0 million.

2. 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement

On February 1, 2023, the Company entered into a master small-scale engineering and related consultancy services agreement with RiseSun Real Estate Development (the **"2023 Master Small-Scale Engineering and Related Consultancy Services Agreement"**), pursuant to which the Group agreed to provide small-scale engineering and related consultancy services to RiseSun Group and its associates, including but not limited to (i) installing security systems before the delivery of the properties; (ii) erecting and dismantling outer fencing for construction sites; (iii) providing preliminary planning and design consultancy services in relation to small-scale engineering in the initial design, construction and post-delivery stages; (iv) construction site drainage services; (v) signboard production and installation; (vi) soft decoration services before the delivery of the properties; and (vii) after-sales repair services (the **"Small-Scale Engineering and Related Consultancy Services"**) for a term commencing from January 1, 2023 and ending on December 31, 2025.

The maximum annual fee payable by RiseSun Group and its associates under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement for the year ended December 31, 2025 shall not exceed RMB460 million. RiseSun Real Estate Development is a controlling shareholder of the Company and thus a connected person of the Company under the Listing Rules.

For the year ended December 31, 2025, the actual transaction amount under the 2025 Master Small-Scale Engineering and Related Consultancy Services Agreement amounted to RMB22.2 million.

The Company adjusts the scope, amounts, and annual caps of continuing connected transactions exempted from disclosure (if necessary) pursuant to its internal control procedures. During the year ended 31 December 2025, the Company followed the pricing policies and guidelines for each of the continuing connected transactions disclosed in this annual report when determining the pricing and terms of the transactions conducted. The Directors are of the view that the Company's internal control procedures are adequate and effective to ensure that such transactions are so conducted.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

CONFIRMATION OF THE AUDITORS

The Board has engaged the auditors of the Company to report on the continuing connected transactions of the Company for the year ended December 31, 2025. The auditors of the Company have issued a letter in relation to the continuing connected transactions pursuant to Rule 14A.56 of the Listing Rules. In the letter, the auditors of the Company confirmed that, in respect of these continuing connected transactions of the Company during the year ended December 31, 2025, nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) have exceeded the annual caps set by the Company.

CONNECTED TRANSACTIONS

The following transactions constituted connected transactions of the Group for the year ended December 31, 2025:

Debt Settlement Framework Agreement

On June 18, 2025 (after trading hours), the Company entered into a debts settlement framework agreement with RiseSun Development (the "**2025 Debts Settlement Framework Agreement**"). Pursuant to the 2025 Debts Settlement Framework Agreement, the Company has conditionally agreed to acquire and RiseSun Development has conditionally agreed to dispose of certain properties, at an aggregate consideration of RMB1,069,874,840.76 which shall be offset against the certain outstanding receivables owed to the Group on a dollar-for-dollar basis. Those properties include 12,689 parking spaces, 5,479 storage units and 112 residential, apartment and commercial units to be acquired by the Group under the 2025 Debts Settlement Framework Agreement. The transactions contemplated under the 2025 Debts Settlement Framework Agreement were approved by the Company at its extraordinary general meeting held on August 8, 2025. For further details, please refer to the Company's circular dated July 21, 2025.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended December 31, 2025 are disclosed in Note XI to the financial statements of this report.

Save as disclosed above, the related party transactions set out in Note XI to financial statements for the year ended December 31, 2025 did not constitute non-exempted connected transaction or continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

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

PRE-EMPTIVE RIGHTS AND TAX RELIEF OR EXEMPTION

There is no provision on pre-emptive rights in the Articles of Association. The Company is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

As of the date of this report, based on the information publicly available to the Company and within the best knowledge of its Directors, the Company has maintained sufficient public float as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company has adopted, applied and complied with the code provisions as set out in the Corporate Governance Code set out in Appendix C1 to the Listing Rules that were in force for the year ended December 31, 2025. The corporate governance practices of the Company are set out in the section headed "Corporate Governance Report" of this report.

FINANCIAL SUMMARY

Summary of the Group's results and assets and liabilities for the latest five financial years is set out in the section headed "Five-Year Financial Summary" on pages 252 to 253 of this report.

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Company as at December 31, 2025 are set out in Note VII to the financial statements in this report.

PERMITTED INDEMNITY

The Group has purchased and maintained liability insurance for the Directors for the year ended December 31, 2025, which provides appropriate cover for the Directors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended December 31, 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares). As at December 31, 2025, the Company did not hold any treasury shares.

EQUITY LINKED AGREEMENT

No equity linked agreement was entered into during the year ended December 31, 2025.

CHANGES IN INFORMATION OF DIRECTORS

The changes in the membership of the Board of Directors of the Company during the period and up to the date of this report are set out below:

Mr. Geng Jianfu has resigned as an executive Director of the Company with effect from September 18, 2025; Mr. Wu Qiuyun has been appointed as an executive Director of the Company with effect from October 21, 2025.

Please refer to the section headed “Biographical details of Directors and Senior Management” of this report for changes in the biographical details of the Directors that are required to be disclosed pursuant to Rule 13.51B of the Listing Rules. For the remuneration of Directors, please refer to the remuneration of Directors, supervisors and employees set out in Note XI. 5 to this report.

MANAGEMENT CONTRACT

No contract concerning management of the whole or substantial part of any business of the Company was entered into during the year ended December 31, 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company has no significant subsequent event for the year ended December 31, 2025.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals for the Relevant Year are set out in Note XI. 5 to the financial statements.

RETIREMENT BENEFIT SCHEME

The Group maintains 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 established 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. There are no provisions under the retirement benefit scheme of the Group whereby forfeited contributions may be used to reduce future contributions. Details of retirement benefit scheme of the Group are set out in Notes V. 24 and III. 22 to the financial statements.

DONATIONS

The donation made by Group for the year ended December 31, 2025 was approximately RMB468,244.0.

ACCOUNTING STANDARDS

The Company is incorporated in the PRC and its overseas listed foreign shares have been listed on the Stock Exchange since January 15, 2021. It adopted Hong Kong Financial Reporting Standards (the “**HKFRSs**”) for the preparation of the Prospectus and its subsequent financial statements. In order to improve working efficiency and lower the cost for preparing two sets of financial statements in accordance with the PRC accounting standards as well as the HKFRSs, on February 18, 2022, the Board considered and approved to prepare the Company’s financial statements and disclose relevant financial information in accordance with CASBE starting from the annual report for the year ended December 31, 2021. The corresponding changes to the Articles of Association to allow publication of the Company’s financial statements in accordance with CASBE was approved by the Shareholders at the extraordinary general meeting of the Company held on March 8, 2022. For details, please refer to the announcements of the Company dated February 18, 2022 and March 8, 2022 and the circular of the Company dated February 21, 2022. The Company prepares the financial statements in accordance with CASBE and relevant regulations starting from the year ended December 31, 2021.

AUDITOR

On February 18, 2022, the Board announced that the Company and PricewaterhouseCoopers (“**PwC**”) could not reach a consensus on the audit fee for the financial year ended December 31, 2021. As PwC failed to reach a consensus with the Company on the audit fee and was unable to obtain the necessary information and evidence in respect of the matters it concerned for the implementation of the corresponding audit procedures, PwC has agreed to resign as the auditor of the Company with effect from February 14, 2022. With the recommendation of the Audit Committee, ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)) (“**ShineWing**”) was proposed to be appointed as the new auditor of the Company in relation to the audit of the Company’s financial statements for the year ended December 31, 2021, subject to the approval by the Shareholders. The resignation of PwC and the appointment of ShineWing as the Company’s auditor were approved by the Shareholders at the extraordinary general meeting of the Company held on March 8, 2022. For details, please refer to the announcements of the Company dated February 18, 2022 and the circular of the Company dated February 20, 2022.

The consolidated financial statements of the Company for the years ended December 31, 2024 and 2025 have been audited by the Company’s auditor, ShineWing Certified Public Accountants LLP.

A resolution for the re-appointment of ShineWing Certified Public Accountants LLP as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board

Wu Qiuyun

Chairman and executive Director

Lang Fang, the PRC, March 31, 2026



信永中和会计师事务所

ShineWing
 certified public accountants

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To the shareholders of Roiserv Lifestyle Services Co., Ltd.:

I. AUDIT OPINION

We have audited the accompanying financial statements of Roiserv Lifestyle Services Co., Ltd. (hereinafter referred to as "the Company"), including the Consolidated and Parent Company's Balance Sheet as at December 31, 2025, the Consolidated and Parent Company's Income Statement, the Consolidated and Parent Company's Cash Flow Statement, the Consolidated and Parent Company's Statement of Changes in Shareholders' Equity and Notes to the Financial Statements for FY2025.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all major respects, and fairly present the consolidated and the parent company's financial position of the Company as at December 31, 2025 and the Consolidated and Parent Company's financial performance and cash flows for FY2025.

II. BASIS FOR OPINION

We have conducted the audit in accordance with the Chinese Certified Public Accountant (CPA) Auditing Standards. The "AUDITOR'S RESPONSIBILITIES OF THE FINANCIAL STATEMENTS" section of the Auditor's Report further clarifies our responsibilities under these standards. In accordance with the independence requirements set out in the Independence Standard of Chinese Certified Public Accountants and Code of Professional Ethics of Chinese Certified Public Accountants that are applicable to audits of financial statements of public interest entities, we are independent of the Company and have fulfilled other responsibilities in terms of independence professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of the 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.

III. KEY AUDIT MATTERS (continued)

1. Expected credit losses on receivables

KEY AUDIT MATTERS

As stated in Notes V.3 and V.5, the carrying balance of receivables of the Company as at December 31, 2025 was RMB3,090,704,600, of which the carrying balance of accounts receivable was RMB2,419,145,400, and the carrying balance of other accounts receivable was RMB67,155.92, and the total amount of expected credit losses accrued was RMB667,889,300. Receivables account for 71.71% of the total assets.

The Management of the Company accrues expected credit losses based on the credit risk characteristics of each receivable, either on an individual receivable or on a portfolio of receivables. The determination of expected credit losses on receivables requires consideration of the customer's credit risk, historical payment and forward-looking factors, which involves Management's estimates and judgement. We have therefore identified expected credit losses on receivables as a key audit matter.

Audit Response

For the impairment of receivables, we mainly performed the following audit procedures:

- ① Understand the internal controls relating to expected credit losses on receivables, evaluate the design of these internal controls and determine whether they have been effectively implemented.
- ② Analyze the reasonableness of expected credit losses on receivables, including the basis for determining the portfolio of receivables and the judgement of the individual accrual of expected credit losses.
- ③ Evaluate the expected credit loss model used by the Company, analyze the reasonableness of the main parameters and indicators and review the calculation process.
- ④ Examine Management's consideration and objective evidence related to the impairment testing of receivables and focus on whether Management has adequately identified items that have been impaired.
- ⑤ Obtain the Company's expected credit loss calculation sheet, check whether the accrual method is implemented in accordance with the expected credit loss policy, review whether the aging of accounts receivable is correct, and recalculate whether the amount of provision for expected credit loss is accurate.
- ⑥ Implement confirmation procedures for receivables and select a sample to check post – period payment collection.
- ⑦ Check that expected credit losses on receivables have been properly presented and disclosed in the financial report.

III. KEY AUDIT MATTERS (continued)

2. Revenue Recognition

KEY AUDIT MATTERS

As stated in Note V.34, the Company's operating income for FY2025 was RMB1,912,958,900. The Company's operating income includes community services, commercial services, urban services, and life peripheral services.

As one of the Company's key performance indicators, there is an inherent risk that management may manipulate the timing of revenue recognition to meet specific objectives or expectations, and the accuracy of its recognition has a significant impact on the Company's operating results, so we identified revenue recognition as a key audit matter.

Audit Response

For operating income, we performed the following audit procedures, among others:

- ① Understand and evaluate the effectiveness of the design of the Company's internal controls related to revenue recognition, and perform control tests on the operating effectiveness of key internal controls.
- ② Obtain samples of sales contracts, identify the contractual terms related to the transfer of control of goods, and evaluate whether the point of revenue recognition is in compliance with the provisions of Accounting Standard for Business Enterprises.
- ③ Based on the business categories and business models, analyze the monthly and annual trends of operating income and the reasons for the changes, analyze the fluctuation of the gross profit margin of each type of business and the reasons for the fluctuation, and judge the reasonableness of operating income.
- ④ Take a sampling approach to check supporting documents related to revenue recognition, such as property service contracts, engineering and construction contracts, customer acknowledgement slips, invoices, etc., and check business system data to determine the authenticity of revenue recognition.
- ⑤ Select a sample of customers and perform correspondence procedures on accounts receivable and operating income for the period. For un-replied items, perform alternative audit procedures by checking original vouchers and post-period refunds.
- ⑥ Perform cut-off tests for revenue recognized around the balance sheet date to determine whether the revenue recognition period is appropriate.
- ⑦ Check that operating income has been properly presented and disclosed in the financial report.

IV. Other Information

The management of the Company (hereinafter referred to as the "Management") is responsible for the other information. The other information comprises the information included in the Company 2025 annual report, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the other information; we are required to report that fact.

V. THE RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE OF THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation; and for designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company'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 Management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally 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 financial statements.

VI. AUDITOR'S RESPONSIBILITIES OF THE FINANCIAL STATEMENTS (continued)

During the course of the audit in accordance with auditing standards, we exercise professional judgement and maintain professional scepticism. We also carry out the following works:

- (1) Identify and assess the risks of material misstatement of the 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 audit. 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.
- (2) 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 its internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's 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 Company'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 financial statements in accordance with the auditing standards or, if such disclosures are inadequate, we shall 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 Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance audit of the group. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with those 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 related safeguards (if applicable).

VI. AUDITOR'S RESPONSIBILITIES OF THE FINANCIAL STATEMENTS (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 prohibited public disclosure about the matter or when, in 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.

ShineWing Certified Public Accountants (LLP)

Chinese Certified Public Accountant:
(Engagement Partner)

Chinese Certified Public Accountant:

Beijing, China

March 31, 2026

CONSOLIDATED BALANCE SHEET

Prepared by: Roiserv Lifestyle Services Co., Ltd.

Unit: RMB

Item	Notes	2025/12/31	2024/12/31
Current assets:			
Cash and cash equivalents	V.1	529,387,382.80	583,595,247.60
Provision of settlement funds			
Lendings to banks and other financial institutions			
Financial assets held-for-trading			
Derivative financial assets			
Notes receivable	V.2	632,407.37	
Accounts receivable	V.3	1,952,398,378.06	2,116,192,108.03
Receivables financing			
Prepayments	V.4	146,880,475.15	110,592,324.35
Premium receivable			
Accounts receivable reinsurance			
Receivable reserves for reinsurance			
Other receivables	V.5	470,416,931.10	571,105,255.02
Including: Interest receivable		195,024.09	223,294.22
Dividends receivable			
Buying back the sale of financial assets			
Inventories	V.6	741,586,326.98	339,140,640.33
Including: Data resources			
Contract assets	V.7	34,728,897.46	26,954,668.97
Held-for-sale assets			
Non-current assets due within one year	V.8	1,872,205.80	1,872,205.80
Other current assets	V.9	39,032,995.90	27,796,685.62
Total current assets		3,916,936,000.62	3,777,249,135.72

CONSOLIDATED BALANCE SHEET

Item	Notes	2025/12/31	2024/12/31
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	V.10	3,239,603.09	4,891,742.87
Long-term equity investments	V.11	95,229,370.04	103,696,621.40
Investment in other equity instruments			
Other non-current financial assets			
Investment properties	V.12	68,709,683.29	69,662,023.67
Fixed Assets	V.13	26,532,245.77	33,522,106.82
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets	V.14	8,986,989.75	17,353,892.97
Intangible assets	V.15	6,328,599.94	8,108,312.60
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill	V.16	2,154,017.43	
Long-term deferred expenses	V.17	12,381,789.33	11,593,694.51
Deferred income tax assets	V.18	169,571,902.87	148,019,824.67
Other non-current assets			
Total non-current assets		393,134,201.51	396,848,219.51
Total assets		4,310,070,202.13	4,174,097,355.23

Item	Notes	2025/12/31	2024/12/31
Current liabilities:			
Short-term borrowings	V.20	3,000,000.00	3,000,000.00
Borrowings from Central Bank			
Borrowings from other banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	V.21	719,244,961.72	733,847,206.94
Advance from customers	V.22	1,763,335.24	1,392,505.44
Contract liabilities	V.23	492,803,250.03	448,197,573.83
Buying back the sale of financial assets			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Employee benefits payable	V.24	127,494,966.34	131,903,632.09
Taxes and surcharges payable	V.25	99,018,729.41	88,440,308.46
Other payables	V.26	490,103,008.94	499,757,015.92
Including: Interest payable			
Dividends payable		7,270.63	7,270.63
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	V.27	10,289,191.19	10,254,362.33
Other current liabilities	V.28	24,914,803.93	25,156,215.31
Total current liabilities		1,968,632,246.80	1,941,948,820.32

CONSOLIDATED BALANCE SHEET

Item	Notes	2025/12/31	2024/12/31
Non-current liabilities:			
Insurance reserves			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities	V.29	4,198,099.01	14,358,033.40
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities		6,947,979.02	9,863,781.38
Other non-current liabilities			
Total non-current liabilities		11,146,078.03	24,221,814.78
Total liabilities		1,979,778,324.83	1,966,170,635.10
Shareholders' equity:			
Share Capital	V.30	376,000,000.00	376,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	V.31	985,739,125.28	984,630,205.10
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve	V.32	111,048,984.24	104,634,931.96
General risk reserve			
Undistributed Profit	V.33	828,941,000.04	722,746,436.87
Total shareholders' equity attributable to the parent company		2,301,729,109.56	2,188,011,573.93
Non-controlling interests		28,562,767.74	19,915,146.20
Total shareholders' equity		2,330,291,877.30	2,207,926,720.13
Total liabilities and shareholders' equity		4,310,070,202.13	4,174,097,355.23

Legal representative:

Principal in charge of accounting:

Head of accounting department:

PARENT COMPANY'S BALANCE SHEET

Prepared by: Roiserv Lifestyle Services Co., Ltd.

Unit: RMB

Item	Notes	2025/12/31	2024/12/31
Current assets:			
Cash and cash equivalents		437,430,391.86	434,148,611.40
Financial assets held-for-trading			
Derivative financial assets			
Notes receivable			
Accounts receivable	XVI.1	1,291,020,565.08	1,390,560,116.61
Receivables financing			
Prepayments		99,302,659.80	81,512,902.93
Other receivables	XVI.2	1,869,358,895.18	1,544,061,185.73
Including: Interest receivable		2,516,263.81	223,294.22
Dividends receivable		48,871,200.00	48,871,200.00
Inventories		608,054,080.14	283,425,688.01
Including: Data resources			
Contract assets		22,217,581.10	17,880,802.39
Held-for-sale assets			
Non-current assets due within one year		1,872,205.80	1,872,205.80
Other current assets		26,501,175.88	19,522,469.60
Total current assets		4,355,757,554.84	3,772,983,982.47
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables		3,239,603.09	4,891,742.87
Long-term equity investments	XVI.3	228,187,285.34	235,739,831.79
Investment in other equity instruments			
Other non-current financial assets			
Investment properties		68,709,683.29	69,662,023.67
Fixed Assets		8,545,949.57	10,845,160.06
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		163,170.88	332,089.57
Intangible assets		6,297,954.26	7,530,824.05
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill			
Long-term deferred expenses		4,796,020.57	3,292,023.33
Deferred income tax assets		107,138,309.33	89,892,206.98
Other non-current assets			
Total non-current assets		427,077,976.33	422,185,902.32
Total assets		4,782,835,531.17	4,195,169,884.79

PARENT COMPANY'S BALANCE SHEET

Item	Notes	2025/12/31	2024/12/31
Current liabilities:			
Short-term borrowings			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		454,281,114.17	402,439,662.21
Advance from customers		1,203,438.54	1,000,469.02
Contract liabilities		376,560,736.28	350,496,478.82
Employee benefits payable		75,198,277.76	55,929,957.55
Taxes and surcharges payable		39,860,428.59	38,157,139.37
Other payables		1,755,334,246.99	1,328,773,352.78
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		1,890,667.66	2,113,014.46
Other current liabilities		19,280,400.89	18,690,333.48
Total current liabilities		2,723,609,310.88	2,197,600,407.69
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities		3,309,919.14	5,138,327.63
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities		3,390,007.68	4,045,378.79
Other non-current liabilities			
Total non-current liabilities		6,699,926.82	9,183,706.42
Total liabilities		2,730,309,237.70	2,206,784,114.11

Item	Notes	2025/12/31	2024/12/31
Shareholders' equity:			
Share Capital		376,000,000.00	376,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		970,440,796.25	970,440,796.25
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve		111,048,984.24	104,634,931.96
Undistributed Profit		595,036,512.98	537,310,042.47
Total shareholders' equity		2,052,526,293.47	1,988,385,770.68
Total liabilities and shareholders' equity		4,782,835,531.17	4,195,169,884.79

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CONSOLIDATED INCOME STATEMENT

Prepared by: Roiserv Lifestyle Services Co., Ltd.

Unit: RMB

Item	Notes	FY2025	FY2024
I. Total operating income		1,912,958,890.05	1,956,931,773.56
Including: Operating revenue	V.34	1,912,958,890.05	1,956,931,773.56
Interest income			
Premiums earned			
Handling charges and commission income			
II. Total operating cost		1,634,216,880.06	1,680,228,850.36
Including: Operating cost		1,504,878,917.74	1,541,232,911.97
Interest expenses			
Fee and commission expenses			
Refunded premiums			
Net amount of compensation payout			
Net provisions for insurance contracts reserve			
Policy dividend payments			
Reinsurance costs			
Taxes and surcharges	V.35	9,530,535.37	10,301,353.85
Selling expenses	V.36	7,364,762.39	7,214,111.97
Administrative expenses	V.37	107,359,799.72	119,274,501.48
Research and development expenses			
Financial expenses	V.38	5,082,864.84	2,205,971.09
Including: Interest expenses		749,656.11	936,763.44
Interest income		422,193.05	2,859,787.14
Add: Other income	V.39	3,747,517.74	4,097,949.76
Investment income (loss marked with "-")	V.40	-17,300,940.43	-312,904.84
Including: Investment income from associates and joint ventures		-6,450,546.45	-429,777.32
Gain on derecognition of financial assets measured at amortized cost			
Exchange gains (loss marked with "-")			
Net exposure to hedging gains (Loss marked with "-")			
Income from changes in fair value (Loss marked with "-")	V.41	-800,426.04	-190,832.64
Credit impairment losses (Loss marked with "-")	V.42	-77,122,156.46	-131,249,004.77
Impairment losses on assets (Loss marked with "-")	V.43	-21,035,432.89	186,898.60
Income from disposal of assets (Loss marked with "-")	V.44	47,947.65	-506,208.27
III. Operating profit (Loss marked with "-")		166,278,519.56	148,728,821.04
Add: Non-operating income	V.45	943,652.76	3,895,720.49
Less: Non-operating expenses	V.46	8,878,742.78	5,738,560.72
IV. Total profit (total loss marked with "-")		158,343,429.54	146,885,980.81
Less: Income tax expenses	V.47	37,327,826.95	30,804,176.28

Item	Notes	FY2025	FY2024
V. Net profit (net loss marked with "-")		121,015,602.59	116,081,804.53
(I) Classified by business continuity		121,015,602.59	116,081,804.53
1. Net profits from continuing operations (Net loss marked with "-")		121,015,602.59	116,081,804.53
2. Net profits of discontinued operations (Net loss marked with "-")			
(II) Classified by ownership		121,015,602.59	116,081,804.53
1. Net profit attributable to owners of the parent company (Net loss marked with "-")		112,608,615.45	113,814,240.93
2. Gain or loss attributable to minority shareholders (net loss marked with "-")		8,406,987.14	2,267,563.60
VI. Net other comprehensive income after tax		0.00	0.00
The net after-tax value of other comprehensive income attributable to owners of the parent company		0.00	0.00
(I) Other comprehensive income that cannot be reclassified into profit or loss		0.00	0.00
1. Change in remeasurement of defined benefit plans			
2. Other comprehensive income not converted into profit or loss under equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in the fair value of the company's own credit risk			
5. Others			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		0.00	0.00
1. Other comprehensive income converted into profit or loss under the equity method			
2. Change in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements			
7. Others			
Net other comprehensive income attributable to minority shareholders after tax			
VII. Total comprehensive income		121,015,602.59	116,081,804.53
Total comprehensive income attributable to shareholders of the parent company		112,608,615.45	113,814,240.93
Total comprehensive income attributable to minority shareholders		8,406,987.14	2,267,563.60
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.30	0.30
(II) Diluted earnings per share (RMB/share)		0.30	0.30

As for a merger of enterprises under the same control occurred in the year, the net profit realized by the combined party before merger was RMB0.

The net profit realized by the combined party in the prior year was RMB0.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

PARENT COMPANY'S INCOME STATEMENT

Prepared by: Roiserv Lifestyle Services Co., Ltd.

Unit: RMB

Item	Notes	FY2025	FY2024
I. Operating income	XVI.4	1,209,877,522.73	1,246,677,564.69
Less: Operating cost	XVI.4	936,154,526.37	957,408,299.02
Taxes and surcharges		6,424,038.01	6,498,949.75
Selling expenses		5,547,147.30	3,739,498.14
Administrative expenses		81,877,345.42	94,863,470.24
Research and development expenses			
Financial expenses		-1,118,945.92	-846,340.98
Including: Interest expenses			31,097.63
Interest income		2,466,863.94	2,369,592.16
Add: Other income		1,408,819.82	1,947,792.96
Investment income (loss marked with "-")	XVI.5	-17,164,694.17	-225,985.70
Including: In vestment income from associates and joint ventures		-6,300,546.45	-429,777.32
Gain on derecognition of financial assets measured at amortized cost			
Net exposure to hedging gains (loss marked with "-")			
Income from changes in fair value (loss marked with "-")		-800,426.04	-190,832.64
Credit impairment losses (loss marked with "-")		-53,803,936.23	-78,962,857.75
Impairment losses on assets (loss marked with "-")		-17,598,445.79	-225,583.27
Income from disposal of assets (loss marked with "-")		-1,416.07	5,488.88
II. Operating profit (loss marked with "-")		93,033,313.07	107,361,711.00
Add: Non-operating income		307,204.59	3,353,661.72
Less: Non-operating expenses		4,231,112.36	4,756,197.10
III. Total profit (total loss marked with "-")		89,109,405.30	105,959,175.62
Less: Income tax expenses		24,968,882.51	27,102,470.95
IV. Net profit (net loss marked with "-")		64,140,522.79	78,856,704.67
(I) Net profit from continuing operations (net loss marked with "-")		64,140,522.79	78,856,704.67
(II) Net profit from discontinued operations (net loss marked with "-")			

Item	Notes	FY2025	FY2024
V. Net other comprehensive income after tax		0.00	0.00
(I) Other comprehensive income that cannot be reclassified into profit or loss		0.00	0.00
1. Change in remeasurement of defined benefit plans			
2. Other comprehensive income not converted into profit or loss under equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in the fair value of the company's own credit risk			
5. Others			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		0.00	0.00
1. Other comprehensive income converted into profit or loss under the equity method			
2. Change in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		64,140,522.79	78,856,704.67
VII. Earnings per share			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CONSOLIDATED CASH FLOW STATEMENT

Prepared by: Roiserv Lifestyle Services Co., Ltd.

Unit: RMB

Item	Notes	FY2025	FY2024
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering services		2,272,197,357.36	2,127,843,949.16
Net increase in customer deposits and interbank deposits			
Net increase in borrowing from the central bank			
Net increase in borrowing from other financial institutions			
Cash received for original insurance contract premiums			
Net cash received from reinsurance business			
Net increase in funds and investments for policyholders			
Cash for interest, fees and commissions			
Net increase in borrowing funds			
Net increase in funds from repurchase business			
Net cash received from agency trading of securities			
Received tax refunds		1,609,300.25	338,988.87
Cash received related to other operating activities	V.48.(1)	102,237,046.81	123,519,719.00
Subtotal of cash inflow from operating activities		2,376,043,704.42	2,251,702,657.03
Cash paid for the purchase of goods and services		1,388,603,848.11	1,199,765,335.55
Net increase in customer loans and advances			
Net increase in the central bank and interbank deposits			
Cash payment for claims under original insurance contracts			
Net increase in funds disbursed			
Cash payment for interest, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		690,969,233.09	739,206,513.89
Taxes paid		137,850,273.36	173,896,291.49
Cash paid related to other operating activities	V.48.(1)	181,518,569.95	183,916,513.85
Subtotal of cash outflows from operating activities		2,398,941,924.51	2,296,784,654.78
Net cash flow from operating activities		-22,898,220.09	-45,081,997.75
II. Cash flow from investing activities:			
Cash received from recovery of investments			
Cash received from investment income			
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		485,397.44	816,103.72
Net cash received from disposal of subsidiaries and other business units			834,522.18
Cash received related to other investing activities	V.48.(2)	866,842.55	
Subtotal of cash inflow from investing activities		1,352,239.99	1,650,625.90

CONSOLIDATED CASH FLOW STATEMENT

Item	Notes	FY2025	FY2024
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		13,139,279.19	15,000,284.42
Cash paid for investment			
Net increase in pledged loans			
Net cash paid for the acquisition of subsidiaries and other business units		150,000.00	18,609,831.99
Cash paid related to other investing activities			
Subtotal of cash outflows from investing activities		13,289,279.19	33,610,116.41
Net cash flow from investing activities		-11,937,039.20	-31,959,490.51
III. Cash flow from financing activities:			
Cash received from the absorption of investment		103,000.00	
Including: Cash received by subsidiaries from minority		103,000.00	
Cash received from loans granted			3,000,000.00
Cash received relating to other financing activities			
Subtotal cash inflow from financing activities		103,000.00	3,000,000.00
Payment of debt in cash			3,114,572.78
Cash used to pay dividends, profits, or interest		106,495.83	27,091,346.26
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Cash paid related to other financing activities	V.48.(3)	10,111,125.69	1,854,500.00
Subtotal cash outflow from financing activities		10,217,621.52	32,060,419.04
Net cash flow from financing activities		-10,114,621.52	-29,060,419.04
IV. Impact of exchange rate fluctuations on cash and cash equivalents		-23,461.76	506,333.44
V. Net increase in cash and cash equivalents		-44,973,342.57	-105,595,573.86
Add: Balance of cash and cash equivalents at the beginning of the period		553,714,640.46	659,310,214.32
VI. Balance of cash and cash equivalents at the end of the period		508,741,297.89	553,714,640.46

Legal representative:

Principal in charge of accounting:

Head of accounting department:

PARENT COMPANY'S CASH FLOW STATEMENT

Prepared by: Roiserv Lifestyle Services Co., Ltd.

Unit: RMB

Item	Notes	FY2025	FY2024
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering services		1,190,938,752.49	990,261,321.86
Received tax refunds		26,453.18	72,888.45
Cash received related to other operating activities		492,591,589.31	365,738,676.03
Subtotal of cash inflow from operating activities		1,683,556,794.98	1,356,072,886.34
Cash paid for the purchase of goods and services		639,579,541.09	465,166,588.00
Cash paid to and for employees		402,524,085.56	391,580,180.79
Taxes paid		97,441,459.11	127,135,908.46
Cash paid related to other operating activities		541,431,353.33	438,792,477.48
Subtotal of cash outflows from operating activities		1,680,976,439.09	1,422,675,154.73
Net cash flow from operating activities		2,580,355.89	-66,602,268.39
II. Cash flow from investing activities:			
Cash received from recovery of investments			
Cash received from investment income			
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		59,629.53	55,289.33
Net cash received from disposal of subsidiaries and other business units			-1,240,977.82
Cash received related to other investing activities			
Subtotal of cash inflow from investing activities		59,629.53	-1,185,688.49
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		5,225,747.99	4,401,879.15
Cash paid for investment			
Net cash paid for the acquisition of subsidiaries and other business units		350,000.00	20,058,400.00
Cash paid related to other investing activities			
Subtotal of cash outflows from investing activities		5,575,747.99	24,460,279.15
Net cash flow from investing activities		-5,516,118.46	-25,645,967.64

Item	Notes	FY2025	FY2024
III. Cash flow from financing activities:			
Cash received from the absorption of investment			
Cash received from loans granted			
Cash received relating to other financing activities			
Subtotal cash inflow from financing activities		0.00	0.00
Payment of debt in cash			
Cash used to pay dividends, profits, or interest			31,097.63
Cash paid related to other financing activities		45,978.81	
Subtotal cash outflow from financing activities		45,978.81	31,097.63
Net cash flow from financing activities		-45,978.81	-31,097.63
IV. Impact of exchange rate fluctuations on cash and cash equivalents		-23,461.76	506,333.44
V. Net increase in cash and cash equivalents		-3,005,203.14	-91,773,000.22
Add: Balance of cash and cash equivalents at the beginning of the period		421,533,066.42	513,306,066.64
VI. Balance of cash and cash equivalents at the end of the period		418,527,863.28	421,533,066.42

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Prepared by: Roiserv Lifestyle Services Co., Ltd.

Unit: RMB

Item	FY2025														
	Other equity instruments				Equity attributable to shareholders of the parent company									Non-controlling interests	Shareholders' equity Total
	Share Capital	Preferred share	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed Profit	Others	Subtotal		
1. Closing balance of last year	376,000,000.00	-	-	-	984,630,205.10	-	-	-	104,634,931.96	-	722,746,436.87	-	2,188,011,573.93	19,915,146.20	2,207,926,720.13
Add: Impact from changes in accounting policies															-
Impact from corrections of errors in prior period															-
Business combinations under common control															-
Others															-
2. Opening balance of current year	376,000,000.00	-	-	-	984,630,205.10	-	-	-	104,634,931.96	-	722,746,436.87	-	2,188,011,573.93	19,915,146.20	2,207,926,720.13
3. Movement for current year (decrease marked with "-")	-	-	-	-	1,108,920.18	-	-	-	6,414,052.28	-	106,194,563.17	-	113,717,535.63	8,647,621.54	122,365,157.17
(I) Total comprehensive income											112,608,615.45		112,608,615.45	8,406,987.14	121,015,602.59
(II) Shareholder's contributions and withdrawals of capital	-	-	-	-	1,108,920.18	-	-	-	-	-	-	-	1,108,920.18	-369,365.60	749,554.58
1. Common stock contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-497,000.00	-497,000.00
2. Capital contributed by other equity instruments holders														-	-
3. Share-based payment recorded in shareholder's equity														-	-
4. Others					1,108,920.18								1,108,920.18	137,634.40	1,246,554.58
(III) Profits distribution	-	-	-	-	-	-	-	-	6,414,052.28	-	-6,414,052.28	-	-	600,000.00	600,000.00
1. Appropriation of surplus reserve									6,414,052.28		-6,414,052.28			-	-
2. Extraction of general risk reserves														-	-
3. Distribution to shareholders														600,000.00	600,000.00
4. Others														-	-
(IV) Internal transfer within shareholder's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserve into share capital														-	-
2. Conversion of surplus reserve into share capital														-	-
3. Offsetting loss with surplus reserve														-	-
4. Transfer of changes in defined benefit plans to retained earnings														-	-
5. Transfer of other comprehensive income to retained earnings														-	-
6. Others														-	-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal in the current year														-	-
2. Use in the current year														-	-
(VI) Others														-	-
4. Closing balance of current year	376,000,000.00	-	-	-	985,739,125.28	-	-	-	111,048,984.24	-	828,941,000.04	-	2,301,729,109.56	28,562,767.74	2,330,291,877.30

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Item	FY2024															
	Equity attributable to shareholders of the parent company															
	Share Capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed Profit	Others	Subtotal	Non-controlling interests	Shareholders' equity Total	
1. Closing balance of last year	376,000,000.00	-	-	-	984,630,205.10	-	-	-	96,749,261.49	-	616,817,866.41	2,074,197,333.00	18,920,002.14	2,093,117,335.14		
Add: Impact from changes in accounting policies															-	
Impact from corrections of errors in prior period																-
Business combinations under common control																-
Others																-
2. Opening balance of current year	376,000,000.00	-	-		984,630,205.10	-	-	-	96,749,261.49	-	616,817,866.41	2,074,197,333.00	18,920,002.14	2,093,117,335.14		
3. Movement for current year (decrease marked with "-")																
(I) Total comprehensive income																
(II) Shareholder's contributions and withdrawals of capital																
1. Common stock contributed by shareholders																
2. Capital contributed by other equity instruments holders																
3. Share-based payment recorded in shareholder's equity																
4. Others																
(III) Profits distribution																
1. Appropriation of surplus reserve																
2. Extraction of general risk reserves																
3. Distribution to shareholders																
4. Others																
(IV) Internal transfer within shareholder's equity																
1. Conversion of capital reserve into share capital																
2. Conversion of surplus reserve into share capital																
3. Offsetting loss with surplus reserve																
4. Transfer of changes in defined benefit plans to retained earnings																
5. Transfer of other comprehensive income to retained earnings																
6. Others																
(V) Special reserve																
1. Withdrawal in the current year																
2. Use in the current year																
(VI) Others																
4. Closing balance of current year	376,000,000.00	-	-	-	984,630,205.10	-	-	-	104,634,931.96	-	722,746,436.87	2,188,011,573.93	19,915,146.20	2,207,926,720.13		

Legal representative:

Principal in charge of accounting:

Head of accounting department:

PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Prepared by: Roiserv Lifestyle Services Co., Ltd.

Unit: RMB

Item	Other equity instruments					FY2025					Shareholders' equity Total	
	Share Capital	Preferred share	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed Profit		Others
1. Closing balance of last year	376,000,000.00	-	-	-	970,440,796.25	-	-	-	104,634,931.96	537,310,042.47	-	1,988,385,770.68
Add: Impact from changes in accounting policies												-
Impact from corrections of errors in prior period												-
Others												-
2. Opening balance of current year	376,000,000.00	-	-	-	970,440,796.25	-	-	-	104,634,931.96	537,310,042.47	-	1,988,385,770.68
3. Movement for current year (decrease marked with "-")												
(I) Total comprehensive income									6,414,052.28	57,726,470.51		64,140,522.79
(II) Shareholder's contributions and withdrawals of capital												
1. Common stock contributed by shareholders												
2. Capital contributed by other equity instruments holders												
3. Share-based payment recorded in shareholder's equity												
4. Others												
(III) Profits distribution									6,414,052.28	-6,414,052.28		
1. Appropriation of surplus reserve									6,414,052.28	-6,414,052.28		
2. Distribution to shareholders												
3. Others												
(IV) Internal transfer within shareholder's equity												
1. Conversion of capital reserve into share capita												
2. Conversion of surplus reserve into share capita												
3. Offsetting loss with surplus reserve												
4. Transfer of changes in defined benefit plans to retained earnings												
5. Transfer of other comprehensive income to retained earnings												
6. Others												
(V) Special reserve												
1. Withdrawal in the current year												
2. Use in the current year												
(VI) Others												
4. Closing balance of current year	376,000,000.00	-	-	-	970,440,796.25	-	-	-	111,048,984.24	595,036,512.98	-	2,052,526,293.47

PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Item	Share Capital	Other equity instruments			Capital reserve	FY2024		Special reserve	Surplus reserve	Undistributed Profit	Others	Shareholders' equity Total	
		Preferred share	Perpetual bonds	Others		Less: Treasury shares	Other comprehensive income						
1. Closing balance of last year	376,000,000.00	-	-	-	970,440,796.25	-	-	-	96,749,261.49	466,339,008.27	-	1,909,529,066.01	
Add: Impact from changes in accounting policies												-	
Impact from corrections of errors in prior period												-	
Others												-	
2. Opening balance of current year	376,000,000.00	-			970,440,796.25	-	-	-	96,749,261.49	466,339,008.27	-	1,909,529,066.01	
3. Movement for current year (decrease marked with "-")													
(I) Total comprehensive income										78,856,704.67	70,971,034.20	-	78,856,704.67
(II) Shareholder's contributions and withdrawals of capital													
1. Common stock contributed by shareholders													
2. Capital contributed by other equity instruments holders													
3. Share-based payment recorded in shareholder's equity													
4. Others													
(III) Profits distribution													
1. Appropriation of surplus reserve									7,885,670.47	-7,885,670.47			
2. Distribution to shareholders									7,885,670.47	-7,885,670.47			
3. Others													
(IV) Internal transfer within shareholder's equity													
1. Conversion of capital reserve into share capita													
2. Conversion of surplus reserve into share capita													
3. Offsetting loss with surplus reserve													
4. Transfer of changes in defined benefit plans to retained earnings													
5. Transfer of other comprehensive income to retained earnings													
6. Others													
(V) Special reserve													
1. Withdrawal in the current year													
2. Use in the current year													
(VI) Others													
4. Closing balance of current year	376,000,000.00	-	-	-	970,440,796.25	-	-	-	104,634,931.96	537,310,042.47	-	1,988,385,770.68	

Legal representative:

Principal in charge of accounting:

Head of accounting department:

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2025 – December 31, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

I GENERAL INFORMATION ABOUT THE COMPANY

Roiserv Lifestyle Services Co., Ltd. (the “Company”, collectively the “Group” when including subsidiaries), formerly known as Langfang RiseSun Property Service Co., Ltd., was incorporated on November 2, 2000, and was converted from a limited liability company to a stock company limited on April 23, 2020. The registered address of the Company is Office Building, No. 9 Ping’an Street, South of Xia’an Road, Xianghe Development Zone, Langfang City, Hebei Province, the PRC.

The Group is principally engaged in the provision of property management and related value-added services.

The parent company of the Company is RiseSun Real Estate Development Co. Ltd. (“RiseSun Development”, a company incorporated in the PRC and whose shares are listed on Shenzhen Stock Exchange). RiseSun Development and its affiliates (excluding the Group) are referred to as “RiseSun Group”. The ultimate holding company is RiseSun Holding Co., Ltd. (the Ultimate Controlling Company, a limited liability investment holding company incorporated in the PRC). On January 15, 2021, The Company’s shares were listed on the main board of the Stock Exchange of Hong Kong Limited.

II BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

1. Preparation basis

The financial statements of the Group have been prepared on the basis of actual transactions and events that occurred in accordance with the “Accounting Standards for Business Enterprises” and its application guidelines, interpretations and other relevant regulations issued by the Ministry of Finance (collectively, the “ASBE”), as well as disclosure-related requirements of the Companies Ordinance of Hong Kong and the Rules Governing Listing on the Stock Exchange of Hong Kong.

2. Going concern

The Group has a recent profitable operating history and is supported by financial resources. It is considered reasonable that the financial statements are prepared on a going concern basis. Therefore, such financial statements have been prepared based on the assumption of a going concern.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the ASBEs and give a true, accurate and complete account of the financial position of the Company and the Group as at December 31, 2025 and of the results of their operations and their cash flows for the year 2025, and other related information.

2. Accounting period

The Group’s accounting period is from January 1 to December 31 of the calendar year.

3. Business cycle

The Group adopts a normal operating cycle of 12 months a year and uses the operating cycle as the criteria for the liquidity segmentation of assets and liabilities.

4. Functional currency

Renminbi (RMB) is the functional currency of the Company.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

5. Materiality Criteria Determination Methodology and Selection Basis

The Group follows the principle of materiality in the preparation and disclosure of the financial statements. The disclosures in the notes to the financial statements that involve materiality criteria judgment and the methods of determining and selecting the materiality criteria are set forth below:

Disclosures involving materiality judgments

Materiality Criteria Determination Methodology and Selection Basis

Significant receivables of which provision for bad debts made on an individual basis

A single provision that accounts for 10% or more of the total bad debt provision for various receivables and whose amount is greater than RMB10 million

Receivables with significant amount of bad debt provision recovered or reversed during the period

A single recovery or reversal that accounts for more than 10% of the total amount of various receivables and whose amount is greater than RMB5 million

Significant receivables write-offs during the period

A single write-off that accounts for 10% or more of the total bad debt provision for various receivables and whose amount is greater than RMB5 million

Significant accounts payable and other payables

A single accounts payable/other payables with an aging over 1 year that accounts for 10% or more of the total accounts payable/other payables and whose amount is greater than RMB10 million

Significant investment activities

A single investing activity that accounts for 10% or more of the total cash inflows or outflows related to investing activities and whose amount is greater than RMB10 million

Significant associates or joint ventures

A single investee in which the carrying value of long-term equity investment accounts for 5% or more of the Group's net assets and amounts to more than RMB10 million, or from which the gain or loss on the long-term equity investment accounts for 10% or more of the Group's consolidated net profit under the equity method

Significant subsidiaries

A subsidiary of which the net assets account for 5% or more of the Group's net assets, or the net profit accounts for 10% or more of the Group's consolidated net profit

Significant activities that do not involve current cash receipts and payments

Significant activities that do not involve current cash receipts and payments

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Accounting treatment for business combinations under common control and not under common control

(1) Business combinations under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities acquired by the Group as a consolidator in a business combination under common control are measured at the carrying amount of the consolidated party in the consolidated statements of the ultimate controlling party at the date of consolidation. The difference between the book value of the net assets acquired and the book value of the consideration paid for the consolidation is adjusted to capital reserve; if the capital reserve is not sufficient to offset the difference, retained earnings are adjusted.

(2) Business combination not under common control

Business combinations not under common control refers to combinations where parties involved in the combination are not ultimately controlled by the same party or parties before and after the combination.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired by the Group as a buyer in a business combination not under common control are measured at fair value at the acquisition date. The excess of the cost of the combination over the fair value of the share of identifiable net assets of the acquiree acquired in the combination is recognised as goodwill; if the cost of the combination is less than the fair value of the share of identifiable net assets of the acquiree acquired in the combination, the fair value of each identifiable asset, liability and contingent liability acquired in the combination, as well as combination costs, are first reviewed. If, after the review, the cost of combination is still less than the fair value of the share of identifiable net assets of the acquiree acquired in the combination, the difference is recognised as non-operating income in the period of combination. Criteria for determining control and preparation of consolidated financial statements.

7. Criteria for determining control and preparation of consolidated financial statements

The Group's scope of consolidation in the consolidated financial statements is determined on a control basis and includes the Company and all of its controlled subsidiaries. The Group determines the criteria for control as follows: control is the power the Group has over the acquiree(s) and is entitled to variable returns from its involvement in the operating activities of the acquiree and able to affect the amount of the returns by leveraging such power.

In preparing the consolidated financial statements, if the accounting policies or accounting periods adopted by a subsidiary and the Company are not consistent, the necessary adjustments are made to the financial statements of the subsidiary in accordance with the Company's accounting policies or accounting periods.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Criteria for determining control and preparation of consolidated financial statements

(continued)

The effects on the consolidated financial statements of internal transactions occurring between the Company and its subsidiaries and among subsidiaries are eliminated on consolidation. The shares of ownership interests of subsidiaries that do not belong to the parent company and the shares of net profit or loss, other comprehensive income and total comprehensive income for the period that belong to non-controlling interests are presented in the consolidated financial statements under “non-controlling interests, gain or loss attributable to minority shareholders, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders”, separately.

For subsidiaries acquired in a business combination under common control, their operating results and cash flows are included in the consolidated financial statements from the beginning of the period of combination. When preparing the comparative consolidated financial statements, the relevant items in the prior year’s financial statements are adjusted as if the reporting entity formed after the combination had been in existence since the point at which the ultimate controlling party began to exercise control.

For a subsidiary acquired through a business combination not under common control, the results of operations and cash flows are included in the consolidated financial statements from the date the Group obtains control. In the preparation of the consolidated financial statements, the financial statements of the subsidiary are adjusted on the basis of the fair value of each identifiable asset, liability and contingent liability determined at the purchase date.

When the Group partially disposes of its long-term equity investments in subsidiaries without loss of control, the difference between the disposal price and the share of the net assets of the subsidiaries corresponding to the disposal of the long-term equity investments calculated on an ongoing basis from the date of purchase or the date of combination is adjusted to capital reserve (equity premium) in the consolidated financial statements, and retained earnings are adjusted if the capital reserve is not sufficient to cover the reduction.

If the Group loses control over an investee due to, for example, the disposal of a portion of its equity investment, the remaining equity interest is remeasured at its fair value at the date of loss of control in the preparation of the consolidated financial statements. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the net assets of the original subsidiary calculated on a continuing basis from the date of purchase or the date of combination in proportion to the original shareholding, is recognised as investment gain or loss in the period in which control is lost, and goodwill is eliminated. Other comprehensive income related to the equity investment in the original subsidiary, etc., is transferred to current investment gain or loss when control is lost.

If the Group disposes of its equity investment in a subsidiary through multiple transactions, which is a package deal, until it loses control, each transaction is accounted for as a disposal of the subsidiary and loss of control; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment in each disposal prior to the loss of control is recognised in the consolidated financial statements as other comprehensive income and is transferred to investment income or loss in the period in which control is lost. If the disposal of equity investments in subsidiaries through multiple transactions is not a package deal, each transaction is accounted for separately according to whether or not there is a loss of control.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

8. Cash and cash equivalents

Cash in the Group's cash flow statement represents cash on hand and deposits readily available for payment. Cash equivalents in the cash flow statement represent investments that are held for less than three months, are highly liquid, easily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

9. Foreign currency operations and translation of foreign currency statements

(1) Foreign currency operations

Upon initial recognition of foreign currency transactions, the Group translates the foreign currency amounts into the functional currency amounts using the spot exchange rate at the date of the transaction. At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at the balance sheet date. The resulting translation differences are recognized directly in profit or loss, except for exchange differences arising from special borrowings in foreign currencies for the purpose of acquiring or producing assets eligible for capitalization, which are treated on the basis of capitalization; A non-monetary item denominated in foreign currency measured at historical cost shall be translated using the spot exchange rate prevailing on the date when a transaction occurs and the amount of its functional currency shall remain unchanged. A non-monetary item denominated in foreign currency at fair value shall be translated using the spot rate on the date when its fair value is determined, and the resulting exchange difference between the amount in the functional currency after translation and the original amount in the functional currency shall be recognised as changes in fair value (including change of exchange rate) in profit or loss for the period; Capital contributions received from investors in foreign currencies are translated using the spot exchange rate at the date of the transaction, and no foreign-currency capital translation differences arise between the foreign-currency capital contributions and the carrying amounts of the corresponding monetary items in the functional currency.

(2) Translation of foreign currency financial statements

The Group translates the financial statements of foreign operations into RMB in preparing the consolidated financial statements, where: asset and liability items in the foreign currency balance sheet are translated using the spot exchange rate at the balance sheet date; owner's equity items, except for "undistributed profits", are translated at the spot exchange rate at the time when the business occurred; income and expense items in the income statement are translated using the spot exchange rate at the date of the transaction. The translation differences arising from the above translation are presented under the item of other comprehensive income. Cash flows in foreign currencies are translated using the spot exchange rates at the dates when the cash flows occur. The effect of exchange rate changes on cash is shown separately in the cash flow statement.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments

(1) Recognition and derecognition of financial instruments

A financial asset or financial liability shall be recognised when the Group becomes a party to a financial instrument contract.

A financial asset is derecognised, i.e., the previously recognised financial asset is removed from the balance sheet, when the following conditions are met: 1) the rights to receive cash flows from the financial asset expire; 2) the right to receive cash flows from a financial asset or an obligation under a “pass-through agreement” to pay the full amount of cash flows received to a third party in a timely manner is substantially transferred; and all the risks and rewards of ownership of a financial asset are substantively transferred, or the control over a financial asset is given up without transferring or retaining substantially all the risks and rewards of ownership of the financial asset.

A financial liability is derecognised if the obligation under the financial liability is discharged, cancelled or expires. If an existing financial liability is replaced by another from the same creditor on substantially different terms, or if the terms of an existing liability are substantially modified in its entirety, such an exchange or modification is treated as a derecognition of the existing liability and the recognition of a new liability, and the difference is recognised in profit or loss for the period.

Financial assets bought and sold in regular way are recognised and derecognised on their transaction dates.

(2) Classification and measurement of financial assets

Upon initial recognition, the Group classifies financial assets into financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, in accordance with a business model for managing financial assets and contract cash flow characteristics of financial assets. All affected underlying financial assets are reclassified when, and only when, the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, except for accounts receivable or notes receivable arising from the sale of goods or provision of services, which do not contain significant financing components or do not take into account financing components that have been in existence for not more than one year, which are initially recognised at the transaction price.

For financial assets measured at fair value and whose changes are included in profit and loss of the current period, the related trading expenses are recognised directly in profit and loss for the period; for other categories of financial assets, the trading expenses are recognised in the initial recognition amount.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(2) Classification and measurement of financial assets (continued)

Subsequent measurement of financial assets depends on their classifications.

1) *Financial assets measured at amortised cost*

A financial asset is classified as financial assets carried at amortised cost if both of the following conditions are met: ① the business model for managing the financial asset is to collect the contractual cash flows. ② the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. The Group's financial assets in this category mainly consist of accounts receivable, notes receivable, and other receivables.

2) *Debt instrument investment at fair value through other comprehensive income*

A financial asset is classified as a financial asset at fair value through other comprehensive income if both of the following conditions are met: ① the business model for managing the financial asset is to both collect the contractual cash flows and sell the financial asset. ② the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. Interest income is recognised on this category of financial assets using the effective interest method. Changes in fair value are included in other comprehensive income, except for interest income, impairment losses and exchange differences, which are recognised in profit or loss for the period. On derecognition of the financial assets, the accumulated gains or losses previously recognised in other comprehensive income shall be transferred out and recognised in profit or loss for the current period. The Group's financial assets in this category mainly include receivables financing.

3) *Investments in equity instruments at fair value through other comprehensive income*

The Group has irrevocably elected to designate certain investments in non-trading equity instruments as financial assets at fair value through other comprehensive income, which designation, once made, cannot be revoked. The Group recognises only the related dividend income (except for dividend income that is clearly recovered as part of the cost of the investment) in profit or loss for the period, and subsequent changes in fair value are recognised in other comprehensive income without provision for impairment. On derecognition of a financial asset, the accumulated gains or losses previously recognised in other comprehensive income shall be transferred out and recognised in retained earnings. The Group's financial assets in this category are investments in other equity instruments.

4) *Financial assets at fair value through profit or loss*

Except for the above-mentioned financial assets measured at amortised cost and financial assets at fair value through other comprehensive income, the Group classifies or designates other financial assets as financial assets at fair value through profit or loss. Financial assets in this category are subsequently measured at fair value, with all changes in fair value recognised in profit or loss for the period except those relating to hedge accounting. The Group's financial assets in this category mainly consist of: financial assets held for trading.

If contingent considerations recognised in a business combination not under common control constitute financial assets, the Group classifies them as financial assets at fair value through profit or loss.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(3) Classification, recognition and measurement of financial liabilities

Except for financial guarantee contracts issued, loan commitments for loans at below-market interest rates and financial liabilities arising from transfers of financial assets that do not meet the conditions for derecognition or from continuing involvement in the transferred financial assets, the Group's financial liabilities are classified on initial recognition as follows: financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost. For the financial liabilities measured at fair value through profit or loss, relevant transaction expenses are directly charged to the profit or loss, and for financial liabilities measured at amortised cost, relevant transaction expenses are included in the initial recognised amount.

Subsequent measurement of financial liabilities depends on their classifications:

1) *Financial liabilities measured at amortised cost*

Financial liabilities measured at amortised cost are subsequently measured at amortised cost using the effective interest method.

2) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss (including derivatives that are financial liabilities) include financial liabilities held for trading and financial liabilities designated on initial recognition as at fair value through profit or loss. Financial liabilities held-for-trading (including derivatives that are financial liabilities) are subsequently measured at fair value. Except for those relating to hedge accounting, all changes in fair value are recognised in profit or loss for the period. For financial liabilities designated as at fair value through profit or loss, they are subsequently measured at fair value, with changes in fair value recognised in profit or loss, except for changes in fair value arising from changes in the Group's own credit risk, which are recognised in other comprehensive income. The Group recognises all fair value changes, including amounts arising from changes in its own credit risk, in the profit or loss for the period if the inclusion of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

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(Unless indicated otherwise, all amounts are expressed in RMB)

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(4) Impairment of financial instruments

The Group impairs financial assets measured at amortised cost, investments in debentures at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and financial guarantee contracts based on expected credit losses and recognises an allowance for losses.

1) *Measurement of expected credit losses*

Expected credit losses are the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contracts and all cash flows expected to be received by the Group, discounted at the original effective interest rate, which is the present value of the total cash shortfall.

Expected credit losses over the entire duration refers to expected credit losses due to all possible events of default that could occur over the entire expected duration of the financial instrument. Expected credit losses within the next 12 months are the expected credit losses arising from events of default on financial instruments that may occur within 12 months after the balance sheet date (or the expected duration if the expected duration of the financial instrument is less than 12 months) and form part of the expected credit losses over the entire duration.

For accounts receivable, notes receivable, accounts receivable financing, contract assets and other receivables that do not contain significant financing components and are generated from ordinary operating activities, such as sales of goods and provision of services, the Group uses a simplified measurement method to measure the allowance for losses at an amount equal to the life-time expected credit loss.

For lease receivables, receivables with significant financing components and contract assets, the Group has elected to apply a simplified measurement method by measuring the loss allowance at an amount equal to the life-time expected credit loss.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(4) Impairment of financial instruments (continued)

1) *Measurement of expected credit losses* (continued)

For financial assets (such as investments in debentures, other debt investments, other receivables), loan commitments and financial guarantee contracts other than those mentioned above that use the simplified measurement approach, the Group uses the general method (three-stage method) to provide for expected credit losses. At each balance sheet date, the Group assesses whether its credit risk has increased significantly since the initial recognition. If the credit risk has not increased significantly since the initial recognition and it is in the first stage, the Group measures the provision for losses at an amount equal to the expected credit losses in the next 12 months and calculates the interest income on the basis of the book balance and at the effective interest rate; If the credit risk has increased significantly since the initial recognition but no credit impairment has occurred and it is in the second stage, the Group measures the provision for loss at an amount equal to the expected credit loss over the entire duration and calculates interest income based on the carrying amount and at the effective interest rate; If a credit impairment occurs after initial recognition and it is in third stage, the Group measures the allowance for loss at an amount equal to the expected credit loss over the entire duration and calculates interest income based on amortised cost and at the effective interest rate.

For financial instruments with only a low credit risk at the balance sheet date, the Group assumes that its credit risk has not increased significantly since initial recognition. Refer to Note X.1 for the disclosure of the Group's criteria for determining significant increase in credit risk and the definition of credit-impaired assets that have been incurred.

When the Group assesses the impairment of financial instruments and contract assets using the expected credit loss model, it extrapolates the expected changes in debtors' credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, and the amount of provision made may not equal the actual amount of impairment loss in the future.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(4) Impairment of financial instruments (continued)

2) *Grouping categories and basis for determining provision for impairment based on credit risk characteristics*

The Group assesses the expected credit losses of financial instruments on an individual and group basis and, when assessed on a group basis, the Group categorises financial instruments into groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: type of financial instrument, credit risk rating, geographical location of the debtor, industry in which the debtor operates, past defaults, and aging of receivables.

The provision ratios for bad debts made on a portfolio basis are as follows:

Aging	Provision for bad debts-non- related parties	Provision for bad debts- related parties
Within 1 year	5.00%	6.69%
1-2 years	10.00%	13.11%
2-3 years	30.00%	36.52%
3-4 years	50.00%	57.07%
4-5 years	50.00%	57.07%
More than 5 years	100.00%	100.00%

① *Grouping categories of accounts receivable (and contract assets) and basis of determination*

The Group groups accounts receivable (and contract assets) according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of payment, credit risk exposure, and history of repayment. For accounts receivable (and contract assets), the Group determines that ageing is the main factor affecting its credit risk; therefore, the Group references historical credit loss experience, prepares a comparison table of accounts receivable ageing and default loss rates, and uses this as the basis for evaluating its expected credit losses. The Group calculates the overdue ageing based on the contractual collection date.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(4) Impairment of financial instruments (continued)

2) *Grouping categories and basis for determining provision for impairment based on credit risk characteristics* (continued)

② *Grouping categories of notes receivable and basis of determination*

The Group groups notes receivable based on their acceptor credit risk as a common risk characteristic, classifies them into different groups, and determines the accounting estimation policy for expected credit losses: a. for banker's acceptance bills whose acceptors are listed commercial banks, the Group assesses such items to have low credit risk and does not recognise expected credit losses; b. for bank acceptance bills and commercial acceptance bills where the acceptor is a non-listed commercial bank, the Group recognises the loss allowance based on the expected loss rates determined in accordance with the Group's policy on accounts receivable, using the same grouping criteria as the accounts receivable.

③ *Grouping categories of other receivables and basis of determination*

The Group's other receivables mainly include amounts due from third-party payment platforms for uncleared balances, deposits and guarantees receivable, advances to employees, and amounts due from related parties. The Group groups other receivables according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of payment, credit risk exposure, and history of repayment. For other receivables, the Group determines that ageing is the main factor affecting its credit risk; therefore, the Group references historical credit loss experience, prepares a comparison table of accounts receivable ageing and default loss rates, and uses this as the basis for evaluating its expected credit losses. The Group calculates the overdue ageing based on the contractual collection date.

3) *Criteria for individual assessment of provision for bad debt impairment*

If the credit risk characteristics of a customer are significantly different from those of other customers in the group, or if there is a significant change in the credit risk characteristics of the customer, for example, the customer is in severe financial difficulty and the expected credit loss rate on receivables from the customer is significantly higher than the expected credit loss rate in the aging and overdue ranges, the Group will make a provision for losses on receivables from the customer on an individual basis.

4) *Write-off of impairment provision*

When the Group no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the Group directly writes down the carrying amount of the financial asset. If a financial asset that has been written down is subsequently recovered, it is recognised as a reversal of impairment loss in profit or loss for the period of recovery.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(5) Recognition and measurement of the transfer of financial assets

For transactions involving the transfer of financial assets, the Group derecognises the financial assets if substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; If substantially all the risks and rewards of ownership of the financial asset have been retained, the financial assets shall not be derecognised; Where control over a financial asset is relinquished without transferring or retaining substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognised and the resulting assets and liabilities are recognised, and where control over the financial asset has not been relinquished, the financial asset is recognised to the extent of the continued involvement in the transferred financial asset, and the related liability is recognised accordingly.

If the overall transfer of the financial assets satisfies the conditions for derecognition, the difference between the carrying amount of the transferred financial assets at the date of derecognition and the sum of the consideration received for the transfer and the amount corresponding to the derecognition portion of the cumulative amount of changes in fair value previously recognised directly in other comprehensive income (financial assets involved in the transfer meet the following conditions at the same time: ① the Group's business model for managing the financial assets is aimed at both the collection of the contractual cash flows and the sale of the financial assets the Group's business model for managing the financial assets is aimed at both the collection of the contractual cash flows and the sale of the financial assets; ② the contract terms of the financial assets stipulate that the cash flows arising on a specific date are only payments for principal and interest based on the principal amount outstanding) is recognized in profit or loss for the current period.

If partial transfer of financial assets satisfies the conditions for derecognition, the carrying amount of the transferred financial assets as a whole shall be allocated at their respective relative fair values into derecognition portion and non-derecognition portion, and the difference between the sum of the consideration received for the transfer and the amount corresponding to the derecognition portion of the accumulated changes in fair value that should be apportioned to the derecognition portion (financial assets involved in the transfer satisfy the following conditions at the same time: ① the Group's business model for managing the financial assets is aimed at both the collection of the contractual cash flows and the sale of the financial assets; ② the contract terms of the financial assets stipulate that the cash flows arising on a specific date are only payments for principal and interest based on the principal amount outstanding) and the whole carrying amount of above financial assets allocated is included in profit or loss for the current period.

If the continued involvement is achieved by providing a financial guarantee over the transferred financial asset, the asset resulting from the continued involvement is recognised at the lower of the carrying amount of the financial asset and the amount of the financial guarantee. The amount of the financial guarantee is the maximum amount of the consideration received that will be required to be repaid.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(6) Distinction between financial liabilities and equity instruments and their accounting treatment

The Group distinguishes financial liabilities and equity instruments in accordance with the following principles: (1) if the Group cannot avoid performing a contractual obligation by delivery of cash or other financial assets, unconditionally, the contractual obligation satisfies the definition of financial liabilities. Although some financial instruments do not contain the terms and conditions for which the obligation is conducted by delivery of cash or other financial assets, such contractual obligation may be formed indirectly through other terms and conditions. (2) if a financial instrument can or needs to be settled by equity instruments of the Group itself, the Group's equity instruments used in settlement of the instrument shall be considered either as substitutes of cash or other financial assets or for making the holder of the instrument enjoying the remaining equity in assets net of all liabilities by the issuer. If it is the former, the instrument is a financial liability of the issuer; if it is the latter, the instrument is an equity instrument of the issuer. Under certain situations, a financial instrument contract stipulates that the Group can or needs to settle the instrument by its own equity instruments, of which, the amount of contractual right or contractual obligation equals the quantity of its own equity instruments obtainable or to be delivered multiplying their fair values at the time of settlement, the contract shall be classified as a financial liability, whether the amount of contractual right or contractual obligation is fixed or changeable by changes wholly or partially based on variates other than those of market prices of the Group's own equity instruments.

All terms and conditions reached between the Group's members and holders of financial instruments shall be considered when the Group makes a classification of financial instruments (or their components) in the consolidated statements. If the Group undertakes an obligation whereby the instrument would be settled by delivery of cash, other financial assets or other ways resulting in the instrument as a financial liability, the instrument shall be classified as a financial liability.

(7) Derivative financial instrument

The Group uses derivative financial instruments, such as foreign exchange forward contracts, commodity forward contracts and interest rate swaps, to hedge exchange rate risk, commodity price risk and interest rate risk, respectively. Derivative financial instruments are initially measured at fair value on the date the derivative transaction contract is entered into and are subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognised as an asset and those with a negative fair value are recognised as a liability.

Gains or losses arising from changes in the fair value of derivatives are recognised directly in profit or loss for the period, except those relating to hedge accounting.

(8) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities of the Group are reported separately in the balance sheet, not offsetting mutually, however, they can be presented at a net value after offsetting, if the following conditions are both met: (1) the Group has a legal right to offset the recognized amounts, and the right is executable at present; (2) the Group plans to settle accounts with a net amount, or realise the financial assets and liquidate the financial liabilities at the same time.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Inventories

The Group's inventories mainly include goods in stock, raw materials, circulation materials, etc.

Inventories are initially measured at cost. The cost of inventories includes purchase costs, processing costs and other costs. Inventories are maintained on a perpetual basis. The actual cost of inventories is determined using the first-in, first-out (FIFO) method when inventories are claimed or issued. Low-value consumables and packaging materials are amortised by the 50/50 amortization method.

On balance sheet dates, inventories are measured at the lower of cost and net realisable value. If the cost of inventories exceeds their net realizable value, a provision for decline in value of inventories is made and recognised in profit or loss for the period. Net realisable value is the estimated selling price of the goods less the estimated costs to be incurred on completion, estimated selling expenses and relevant taxes.

12. Contract assets and contract liabilities

(1) Contract assets

A contract asset is a right to receive consideration for merchandise that the Group has transferred to a customer and that is dependent on factors other than the passage of time. The methods of determining and accounting for expected credit losses on contract assets are described above in Note III.10(4) in relation to impairment of financial assets.

(2) Contract liabilities

Contract liabilities reflect the Group's obligations to transfer goods to customers for which consideration has been received or is receivable from customers.

Contract assets and contract liabilities under the same contract are presented on a net basis.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Assets related to contract costs

(1) Determination of the amount of assets related to contract costs

The Group's assets related to contract costs include contract performance costs and contract acquisition costs. Based on their liquidity, contract performance costs are presented in inventories and other non-current assets, and contract acquisition costs are presented in other current assets and other non-current assets, respectively.

Contract performance costs, which are costs incurred by the Group to perform a contract that do not fall within the scope of the relevant accounting standards such as inventories, fixed assets or intangible assets, are recognised as a contract performance cost as an asset: the cost is directly attributable to a current or expected contract, including direct labor, direct materials, manufacturing costs (or similar costs), costs explicitly borne by the customer and other costs incurred solely in connection with that contract; the cost increases the Group's future resources available to meet its performance obligations; and the cost is expected to be recovered.

Contract acquisition costs, which are incremental costs incurred by the Group to obtain a contract that is expected to be recovered, are recognised as contract acquisition costs as an asset. If the asset is amortised over a period of not more than one year, the Group has opted for the simplified treatment of crediting to profit or loss for the period when incurred. Incremental costs are costs that would not have been incurred without obtaining the contract (e.g., sales commissions, etc.). Expenses incurred by the Group to obtain a contract other than incremental costs that are expected to be recovered (such as travel expenses that would have been incurred regardless of whether the contract was obtained) are recognised in profit or loss as incurred, except for those explicitly borne by the customer.

(2) Amortization of assets related to contract costs

The Group's assets related to contract costs are amortised to current profit or loss using the same basis as the revenue recognition of the commodity to which the asset relates.

(3) Impairment of assets related to contract costs

If the carrying amount of the Group's assets related to contract costs exceeds the difference between: (i) the residual consideration that the business expects to obtain for the transfer of the goods to which the asset relates; and (ii) the estimated cost to be incurred for the transfer of the related goods, the Group makes a provision for the excess and recognises an impairment loss on the asset. After making an impairment provision, if there is a subsequent change in the factors for impairment in previous periods, such that the aforementioned difference is higher than the carrying amount of the assets, the original provision for impairment is reversed and recognized in profit or loss, but the carrying amount of the reversed assets should not exceed the carrying amount of the assets at the date of reversal assuming no provision for impairment was made.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments

The Group's long-term equity investments include equity investments in subsidiaries, associates, and joint ventures.

(1) Judgment of Significant Influence and Common Control

An equity investment in which the Group has significant influence over the investee, i.e. an investment in an associated company. Significant influence is the right of the Group to participate in the financial and operating decisions of the investee, but not to control, or have joint control with other parties over, the formulation of those policies. If the Company holds, directly or indirectly through subsidiaries, more than 20% but less than 50% of the voting power of the investee, it is normally presumed that the Group has a significant influence on the investee, unless there is clear evidence that the Group cannot participate in the production and operation decisions of the investee or develop control over the investee. If the Group holds less than 20% of the voting power in an investee, the Group is considered to have significant influence over the investee if, for example, the Group has representation on the board of directors or equivalent governing body of the investee/participates in the financial and operating policy-making processes of the investee/engages in material transactions with the investee/seconds management personnel to the investee/provides essential technical information to the investee, etc.

An equity investment in an investee in which the Group, together with other joint venturers, exercises joint control over the investee and has rights over the investee's net assets is an investment in a joint venture. Joint control is control that is shared over an arrangement in accordance with the relevant agreement and the activities related to the arrangement can only be decided upon with the unanimous consent of the participants sharing control. The Group's judgement basis over joint control is that all parties or groups of parties jointly control the arrangement, and its decisions over relevant activities require the unanimous consent of the parties sharing control.

(2) Accounting Treatment

The Group initially measures long-term equity investments acquired at initial investment cost.

Long-term equity investments acquired through business combinations under common control are measured at the initial investment cost at the date of combination based on the acquisition of the combined party's share of the carrying value of the net assets of the ultimate controlling party in the consolidated statements; If the carrying value of the net assets of the combined party at the date of combination is negative, the cost of initial investments is determined at zero.

For a long-term equity investment acquired in a business combination not under common control, the Group shall use the cost of the combination as the initial investment cost of the long-term equity investment;

except for long-term equity investments resulting from business combinations, long-term equity investments acquired with cash payments are initially recognised at the purchase price actually paid and the fees, taxes and other necessary expenses directly related to the acquisition of the long-term equity investment; For long-term equity investments acquired through the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued;

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

(2) Accounting Treatment (continued)

The Company's investments in subsidiaries are accounted for using the cost method in the individual financial statements. Under the cost method, long-term equity investments are stated at initial investment cost. If additional investment is made, the carrying amount of the investment cost shall be increased by the fair value of the cost paid in additional investment and the related transaction expenses. For the cash dividends or profits distributed by the investee, the investment income shall be recognised in accordance with the amount to be entitled.

The Group's investments in joint ventures and associates are accounted for using the equity method. If the initial investment cost of a long-term equity investment accounted for under the equity method is greater than the share of the fair value of the investee's identifiable net assets, which is attributable to the Company, at the time of investment, no adjustment is made to the carrying amount of the long-term equity investment; If the initial investment cost of a long-term equity investment is less than the fair value of the investee's identifiable net assets at the time of investment, the difference is adjusted to the carrying amount of the long-term equity investment and recognised in profit or loss for the period in which the investment is acquired.

The carrying amount of a long-term equity investment that is subsequently accounted for under the equity method shall be increased or decreased according to the changes in the owner's equity of the investee during the period in which the investment is held. In recognizing the share of net profit or loss of an investee, the net profit of the investee is recognised after adjustments to the net profit of the investee on the basis of the fair value of the investee's identifiable assets at the time of acquisition, in accordance with the Group's accounting policies and accounting periods, and after eliminating the proportionate share of unrealised gains or losses on internal transactions arising from non-business transactions with associates and joint ventures that is attributable to the Group (where the loss on internal transactions is an impairment loss of an asset fully recognised). The Group recognises a net loss on an investee to the extent that the book value of the long-term equity investment and other long-term interests that in substance constitute a net investment in the investee are written down to zero, unless the Group has an additional obligation to pay a loss.

Upon the disposal of a long-term equity investment, the difference between the carrying amount and the price actually received is included in investment income.

For long-term equity investments accounted for under the equity method, when the equity method is terminated, the relevant other comprehensive income recognised by the original equity method is accounted for on the same basis as the direct disposal of the relevant assets or liabilities by the investee, and the owner's equity arising from the changes in other owner's equity of the investee other than net profits or losses, other comprehensive income and profit distribution are fully transferred into investment income on a pro-rata basis.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

(2) Accounting Treatment (continued)

If the remaining equity interest after partial disposal is still accounted for under the equity method, the related other comprehensive income accounted for under the equity method is treated on the same basis as the direct disposal of the related assets or liabilities by the investee and is carried forward on a pro rata basis.

If joint control or significant influence over the investee is lost after the partial disposal of the equity interest, the residual equity interest after the disposal is accounted for under the application of the “ASBE No. 22 – Recognition and Measurement of Financial Instruments (Caikuai [2017] No. 7)”, the difference between the fair value of the residual equity interest at the date of the loss of joint control or significant influence and the carrying amount is recognised in the profit or loss for the period.

If the Group loses control of the investee because of partial disposal of the long-term equity investment, and the remaining equity after the disposal shall enable the Group to exercise joint control of, or have significant influence over, the investee, the remaining equity shall be accounted for in accordance with the equity method, and the difference between the carrying amount of disposed equity and the consideration for disposal shall be included in investment income, as well as the remaining equity shall be adjusted regarding as being accounted for under the equity method since the time of acquisition; if the remaining equity after the disposal shall not exercise the joint control of, or have significant influence over, the investee and be accounted for to which the “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (Caikuai [2017] No. 7)” is applied, the difference between the carrying amount of disposed equity and the consideration for disposal shall be included in investment income, and the difference between the fair value and the carrying amount of the remaining equity, at the date the control loses, shall be included in profit or loss.

For all transactions that dispose of equity by steps to lose control of the equity that is not a package deal, the Group shall separately account for each transaction. If they belong to a “package deal”, all transactions shall be treated as a single transaction that disposes of a subsidiary to lose control; however, the difference between the disposal price of each transaction and the carrying amount of long-term equity investment corresponding to the disposed of equity shall be recognised as other comprehensive income before losing the control, then shall be fully transferred into profit or loss in the period control loses.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

15. Investment properties

The Group's investment properties are those held to earn rentals or for capital appreciation, or both, and include house buildings and car parks that have been acquired for rental purposes and measured using the fair value model.

There is an active real estate trading market for the Group's investment properties, and the Group is able to obtain market prices and related information for similar properties from the market and is able to make reasonable estimates of the fair value of investment properties on an ongoing basis; therefore, the Group has elected to measure investment properties at fair value on a prospective basis.

16. Fixed assets

The Group's fixed assets are tangible assets, which are held for the production of goods, provision of services, rental or operation management and have a useful life of more than one year and their unit value is over RMB2,000.

Fixed assets are recognised when it is probable that the economic benefits associated with them will flow to the Group and their cost can be measured reliably. The Group's fixed assets include general equipment, special equipment, transportation equipment and other equipment, etc.

The Group depreciates all fixed assets, except for fully depreciated fixed assets that continue to be used and land that is separately recorded in the accounts. Depreciation is provided using the average life method. The categorised depreciable lives, estimated net salvage value and depreciation rates of the Group's fixed assets are as follows:

No.	Category	Depreciation life (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
1	General equipment	3-10	5	9.5%-31.67%
2	Transportation equipment	5	5	19%
3	Special equipment	5	5	19%
4	Other equipment	5	5	19%

The Group reviews the estimated useful lives, estimated net residual values and depreciation methods of fixed assets at the end of each year and treats changes, if any, as changes in accounting estimates.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

17. Construction in progress

The cost of construction in progress is determined on the basis of actual construction expenditures, including all necessary construction expenditures incurred during the construction period, borrowing costs that should be capitalised before the construction work reaches its intended useable condition, and other related costs.

On the date when the construction in progress reaches its intended useable state, fixed assets are carried forward at the estimated value based on the project budget, cost or actual cost of the project, etc. Depreciation starts from the following month, and the difference in the original value of fixed assets is adjusted after the completion of the final accounting procedures for completion.

18. Borrowing costs

The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, and includes them in the cost of the relevant assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Assets identified by the Group as eligible for capitalization include borrowing costs incurred that are directly attributable to a fixed asset, investment properties and inventories that require more than one year of acquisition or production activity to reach their intended use or saleable condition. Capitalization begins when expenditure on the asset has been incurred, borrowing costs have been incurred, and the acquisition or production activities necessary to bring the asset to its intended use or saleable condition have commenced; capitalization ceases when the acquisition or production of the asset eligible for capitalization reaches its intended use or saleable condition, subsequent borrowing costs incurred are recognised in profit or loss. If there is an unusual interruption in the acquisition or production of the asset eligible for capitalization and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition or production of the asset resumes.

In each accounting period during which capitalization occurs, the Group recognises the amount of borrowing costs capitalised in accordance with the following methodology: for specific borrowings, the Group takes the actual interest expenses incurred on that borrowing during the period, less any interest income earned from temporarily investing the borrowed funds or any investment income on the temporary investment of those funds; for general borrowings, the Group multiplies the weighted average of the expenditures on the asset by the capitalization rate. The capitalization rate is the weighted average of the interest rates applicable to the Group's general borrowings.

19. Intangible assets

The Group's intangible assets, including software use rights and so on, are measured at actual costs at the time of acquisition, of which, acquired intangible assets are measured at actual costs based on the prices actually paid and other related expenses. The actual costs of intangible assets invested by investors shall be determined at the value agreed in the investment contracts or agreements, but if the agreed value in the contracts or agreements is not fair, the actual costs shall be determined at fair value.

Intangible assets representing software usage rights are amortized on a straight-line basis over the shortest of the estimated useful life, the contractual benefit period, and the legally stipulated effective period.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Impairment of long-term assets

The Group examines items such as long-term equity investments, investment properties measured using the cost model, property, plant and equipment, construction in progress, assets under the right of use, and intangible assets with finite useful lives at each balance sheet date, and tests for impairment when there is an indication of impairment. Goodwill, intangible assets with indefinite useful lives, and development expenditures that have not yet reached their estimated useful lives are tested for impairment at the end of each year, regardless of whether there is any indication of impairment.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group determines the recoverable amount of an asset based on the higher of the asset's net fair value less costs of disposal and the present value of the asset's estimated future cash flows when performing impairment testing. If, after an impairment test, the carrying amount of the asset exceeds its recoverable amount, the difference is recognised as an impairment loss.

The Group estimates the recoverable amount of an asset on an individual basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of that asset group is determined by reference to the asset group to which that asset group belongs. An asset group is identified based on whether the major cash inflows generated from the asset group are independent of those from other assets or groups of assets.

Fair value less costs to sell is determined by reference to the sale agreement price of similar assets in an orderly transaction occurring on the measurement date or observable market prices, less incremental costs directly attributable to the disposal of the asset. When determining the present value of estimated future cash flows, management uses the estimated future cash flows generated from the continuous use and ultimate disposal of the asset and selects an appropriate discount rate to determine the present value of future cash flows.

An impairment loss once recognised shall not be reversed in a subsequent accounting period.

21. Long-term deferred expenses

The Group's long-term deferred expenses include renovation and start-up costs that have been paid by the Group but shall be amortised over a period of more than one year in the current and future periods. These costs are amortised evenly over the benefit period, and if an item of long-term deferred expenses does not benefit subsequent accounting periods, the entire unamortised amortization value of the item is transferred to the current profit or loss. The amortization period for renovation costs and start-up costs is 3-8 years.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Employee benefits

The Group's employee benefits comprise short-term benefits, post-employment benefits, and termination benefits.

Short-term benefits mainly include employees' salaries, bonuses, allowances and subsidies, employee welfare expenses, social insurance premiums such as medical insurance premiums, work-related injury insurance premiums and maternity insurance premiums, and housing provident funds. During the accounting period in which the employee provides services, the actually incurred short-term benefits are recognised as liabilities and are charged to the current profit or loss or included in the cost of related assets according to the recipient.

Post-employment benefits, which mainly include pension contributions and unemployment insurance, are classified as defined contribution plans and defined benefit plans in accordance with the risks and obligations assumed by the Company. For defined contribution plans, a liability is recognised on the basis of contributions made to a separate entity at the balance sheet date in exchange for services rendered by employees during the accounting period and is charged to the current profit or loss or to the cost of the related asset by the beneficiary.

Termination benefits refer to compensation to employees who terminate their employment relationship with the Group before the expiration of their employment contracts or to encourage them to voluntarily accept redundancy. Liability for employee compensation arising from termination benefits is recognised at the date of termination of employment and recognised in profit or loss, with compensation paid for more than one year discounted at an appropriate discount rate and recognised in profit or loss.

23. Share-based payments

Equity-settled share payments made in exchange for services rendered by the employees are measured at the fair value of equity instruments granted to the employees at the grant date. If the grant is immediately exercisable, the related cost or expense is recognised at the grant date based on the fair value of the equity instrument, with a corresponding increase in capital surplus. Exercised options can only be made when the service within the vesting period is completed or the prescribed performance conditions are met. At every balance sheet date within the vesting period, based on the best estimation of the number of the exercisable equity instruments, and according to the fair value of equity instruments on the grant date, the services obtained in the current period are included in relevant costs or expenses and the capital reserve.

Cash-settled share-based payments are measured at the fair value of the liabilities assumed by the Group that are determined on the basis of shares or other equity instruments. If the right is granted immediately, the related costs or expenses are recognised at the fair value of the liability assumed at the date of grant, increasing the liability accordingly; If the right is required to complete services during the waiting period or to meet specified performance conditions, at each balance sheet date in the waiting period, services acquired in the current period are charged to costs or expense and the liability is adjusted accordingly, based on the best estimate of the availability of the right, to the fair value of the liability assumed by the Group. The fair value of the liability is remeasured at each balance sheet date and at the balance sheet date prior to the settlement of the related liability, and the change is recognised in profit or loss for the current period.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

24. Revenue recognition principles and measurement methods

(1) General principles

The Group recognises revenue when it has fulfilled its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods. Gaining control of the relevant good or service means being able to dominate the use of the good or the provision of the service and derive substantially all of the economic benefits therefrom.

If a contract contains two or more performance obligations, the Group, at the contract commencement date, allocates the transaction price to each individual performance obligation based on the relative proportion of the standalone selling prices of the goods or services promised under each individual performance obligation, and measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Group is expected to be entitled as a result of the transfer of goods or services to the customer, excluding amounts received on behalf of third parties. The transaction price recognised by the Group shall not exceed the amount for which it is highly probable that there will be no material reversal of the revenue recognised in the aggregate when the relevant uncertainty is removed. Expected refunds to customers as liabilities are not included in the transaction price. If there is a significant financing component in the contract, the transaction price is determined by the Group on the basis of the amount payable in cash by the customer as control of goods is acquired. The difference between this transaction price and the contract consideration is amortised over the term of the contract using the effective interest method. If the interval between the transfer of the control and the customer's payment of the price is expected to be less than one year at the contract commencement date, the existence of a significant financing component in the contract is not considered.

The Group's performance obligations in contracts are fulfilled within a certain time period when one of the following conditions is met; otherwise, performance obligations are fulfilled at a point in time:

1. The customer acquires and consumes the economic benefits of the Group's performance at the same time as the performance.
2. The customer is able to control the goods under construction in the course of the Group's performance.
3. The goods produced in the course of the Group's performance are irreplaceable and entitled to receive payment by the Group for the cumulative portion of performance completed to date throughout the term of the contract.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Revenue recognition principles and measurement methods (continued)

(1) General principles (continued)

For performance obligations to be performed within a certain period of time, the revenue is recognised by the Group in accordance with the progress of performance over that period of time, the progress of performance is determined by the input method. When the progress of performance is not reasonably determinable, the revenue is recognised in the amount of costs already incurred that are expected to be reimbursed until the progress of performance can be reasonably determined.

For performance obligations performed at a point in time, the revenue is recognised by the Group at the point in time when the customer obtains control of the related goods or services. In determining whether the customer has acquired control of the goods or services, the following indications are considered:

1. The Group has a present right to receive payment for the goods or services.
2. Legal ownership of the goods has been transferred by the Group to the customer.
3. The physical transfer of the goods has been made by the Group to the customer.
4. The principal risks and rewards of ownership of the goods have been transferred by the Group to the customer.
5. The customer has accepted the goods

The Group's rights to receive consideration for goods or services transferred to customers are presented as contract assets, which are impaired on the basis of expected credit losses. The Group's unconditional rights to receive consideration from customers that are owned are presented as receivables. The Group's obligation to transfer goods or services to customers for which consideration is receivable for goods received is presented as a contractual liability.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Revenue recognition principles and measurement methods (continued)

(2) Specific methods of revenue recognition

The Group mainly provides property management services and related value-added services. Service revenue is recognised in the accounting period in which the Group provides the services and the customer simultaneously accepts and consumes the benefits provided by the Group's performance.

(1) *Community services*

Community services include basic property management services and other services. For basic property management services, the Group receives a fixed amount for services rendered and recognises it as revenue on a periodic basis, to the extent that the Group is entitled to invoice and the amount corresponds directly to the value performed.

The Group, as the principal, is responsible for providing property management services to the owners of properties managed under the complete rationing system and is entitled to receive revenue based on the value of property management service fees received or receivable, as well as to recognize all related property management costs as service costs.

(2) *Commercial services*

Commercial services refer to the Group providing property management services and other services to owners and residents of properties such as government agencies, industrial parks, hotels, office buildings, schools, hospitals and sports stadiums. The Group receives amounts for services rendered and recognises revenue on a periodic basis, to the extent that the Group is entitled to invoice and the amount corresponds directly to the value performed.

(3) *Urban Services*

The urban service segment mainly provides integrated environmental sanitation operation services to urban and villages, which mainly include: urban and rural environmental sanitation services, such as cleaning and janitorial services, garbage removal and river cleaning. The Group receives and recognises as revenue a fixed amount on a periodic basis for the services rendered to the extent that the Group has the right to issue invoices that directly correspond to the value of contracts performed.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Revenue recognition principles and measurement methods (continued)

(2) Specific methods of revenue recognition (continued)

(4) *Peripheral services*

Peripheral services are services provided by the Group to customers comprising: (1) brokerage services such as parking space rental and sale; (2) new retail, home repairs and housekeeping services; (3) value-added services for developers.

For brokerage services such as parking space rental and sales, the Group acts as a sales agent and receives commissions calculated based on the contract purchase price. Revenue from brokerage services is recognised at the point when the corresponding services are provided.

The revenue from the sale of goods is recognised when the Group delivers the relevant goods to the buyer and the recoverability of the related consideration is reasonably assured.

Value-added services for developers mainly include engineering services, pre-planning and design consultancy services, cleaning, security, landscaping, maintenance and repair services provided to property developers in the pre-delivery phase. Revenue is recognised when the relevant value-added services are rendered. The Group agrees on the price of each service with the customer.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Government grants

Government grants are recognised when the conditions attached to them can be met and when they can be received. Government grants are measured at the amount actually received if they are monetary assets, or at the amount receivable if there is conclusive evidence that the relevant conditions set forth in the financial support policy can be met and the financial support funds are expected to be received at the end of the period. If the government grants are non-monetary assets and their fair value that cannot be reliably obtained, they shall be measured at the nominal amount (RMB1).

Asset-related government grants refer to government grants obtained by the Group for the acquisition and construction or other formation of long-term assets; revenue-related government grants refer to government grants other than asset-related government grants. If the objects of subsidies are not specified in government documents, the Group makes a judgment in accordance with the above distinction principles, and if it is difficult to distinguish them, they are classified as revenue-related government subsidies as a whole.

Government grants related to assets are recognised as deferred income and are credited or charged to profit or loss for the period on a straight-line basis over the useful lives of the related assets. If the related assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the unallocated balance of the related deferred gain is transferred to profit or loss in the period in which the assets are disposed of.

Government grants related to revenue, which are used to compensate for related costs and expenses or losses in subsequent periods, are recognised as deferred income and recognised in profit or loss in the period in which the related costs and expenses or losses are recognised. Government grants related to normal business course are included in other income in accordance with the nature of the economic operations. Government subsidies not related to ordinary activities are recognised as non-operating income and expenses.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Deferred tax assets and deferred tax liabilities

The Group's deferred income tax assets and deferred income tax liabilities are recognised on the basis of differences between the tax bases of assets and liabilities and their carrying amounts, as well as on the basis of temporary differences between the tax bases of items that are not recognised as assets and liabilities but whose tax bases can be determined in accordance with tax law and their carrying amounts.

The Group recognises deferred income tax liabilities for all taxable temporary differences except under the following circumstances: (1) the temporary difference arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income (or deductible loss); (2) for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognises deferred income tax assets for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, and deductible losses and tax credits can be utilised, except in the following situations: (1) temporary differences arising from the initial recognition of assets or liabilities associated with transactions in non-business combinations that affect neither the accounting profit nor taxable income (or deductible losses); and (2) deductible temporary differences associated with investments in subsidiaries, associates and joint ventures that do not satisfy both of the following conditions: it is probable that the temporary differences will reverse in the foreseeable future and it is probable that taxable income will be available against which the deductible temporary differences can be utilised in the future.

The Group recognises deferred income tax assets for all unused deductible losses to the extent that it is probable that sufficient taxable income will be available against which the deductible losses can be utilised. Management uses considerable judgment to estimate the timing and amount of taxable income to be earned in the future and, in conjunction with tax planning strategies, determines the amount of deferred income tax assets that should be recognised, and as a result, uncertainty exists.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Lease

(1) Identification of leases

At the inception date of the contract, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

If a contract contains several separate leases, the Group splits the contract and accounts for each separate lease separately. If a contract contains both lease and non-lease components, the Group splits the lease and non-lease components for accounting purposes. Each lease component is accounted for separately in accordance with the accounting standards for lease, and the non-lease component is accounted for in accordance with other applicable corporate accounting standards. If the contract contains both lease and non-lease components, the Group, as lessor, will split the lease and non-lease components and account for them separately. Each lease component is accounted for separately in accordance with the accounting standards for lease, and the non-lease component is accounted for in accordance with other applicable corporate accounting standards. The Group, when as lessee, elects not to split the lease and non-lease components, and to consolidate lease component and the non-lease component associated with it respectively into a lease, which is accounted for in accordance with the accounting standards for lease. However, if the contract includes embedded derivatives that should be spun off, the Group does not consolidate them with the lease component for accounting purposes.

(2) The Group as lessee

1) Recognition of leases

Except for short-term leases and low-value asset leases, the Group recognises right-of-use assets and lease liabilities for leases at the inception date of the lease term.

Right-of-use assets, which represent the Group's right as lessee to use the leased assets during the lease term, are initially measured at cost. This costs include: ① the initial measurement amount of the lease liability; ② the amount of lease payments (net of amounts relating to lease incentives taken) made on or before the inception date of the lease term; ③ the initial direct cost incurred; ④ costs expected to be incurred to dismantle and remove the leased asset, to restore the site on which the leased asset is located or to restore the leased asset to its agreed condition under the terms of the lease, other than those incurred for the production of inventory. Where the Group remeasures a lease liability in accordance with the relevant provisions of the accounting standards for lease, the carrying amount of the right-of-use asset is adjusted accordingly.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Lease (continued)

(2) The Group as lessee (continued)

1) *Recognition of leases* (continued)

The Group depreciates right-of-use assets on a straight-line basis, based on the manner in which the economic benefits associated with the right-of-use assets are expected to be consumed. Depreciation is provided over the remaining useful life of the leased asset if the acquisition of ownership of the leased asset is reasonably certain at the end of the lease term; where it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is charged over the shorter of the lease term and the remaining useful life of the leased asset. The amount of depreciation provided is charged to the cost of the relevant asset or to the current profit or loss, depending on the use to which the right-of-use asset is put.

The Group initially measures the lease liability at the present value of the lease payments outstanding at the commencement date of the lease term. Lease payments consist of ① fixed payments and substantive fixed payments, net of lease incentive-related amounts; ② variable lease payments that depend on an index or ratio; ③ the Group reasonably determines the exercise price of the purchase option when it will be exercised; ④ the lease term reflects the amount required to be paid to exercise the option to terminate the lease when the Group will exercise the option to terminate the lease; ⑤ the amount expected to be payable based on the residual value of the guarantee provided by the Group.

In calculating the present value of the lease payments, the Group uses the embedded interest rate of the lease as the discount rate. The Group uses an incremental borrowing rate as a discount rate if the interest rate implicit in the lease cannot be determined. The Group calculates the interest expense on lease liabilities at a fixed periodic rate for each period of the lease term and recognises it in profit or loss for the current period, except when it should be capitalised.

Subsequent to the inception date of the lease term, the carrying amount of the lease liability increases when the Group recognises interest on the lease liability; when paying the lease payment, the carrying amount of the lease liability decreases; The Company remeasures the lease liability to reflect changes to the lease payments, if there is a change in the following items: fixed payments; amounts expected to be payable under residual value guarantees; an index or a rate used to determine lease payments; assessment result or exercise of purchase option, extension option or termination option.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Lease (continued)

(2) The Group as lessee (continued)

2) Lease modification

Lease modification refers to the modification of lease scope, lease consideration and lease term other than the original contract terms, including adding or terminating the right to use one or more leased assets, extending or shortening the lease term stipulated in the contract, etc. The effective date of lease modification refers to the date when both parties agree on the lease modification.

The Group shall account for a lease modification as a separate lease if both: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If a lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Group re-determines the lease term after the modification by apportioning the consideration of the modified contract in accordance with the relevant provisions of the Lease Standards; and the lease payments after the modification are discounted using the revised discount rate to re-measure the lease liability. With respect to the effect of the above lease liability adjustments, the Group distinguishes the following scenarios for accounting purposes: ① If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the lessee shall reduce the carrying value of the right-of-use asset and recognise the gain or loss related to the partial termination or complete termination of the lease in profit or loss for the current period. ② If other lease modifications result in a remeasurement of the lease liability, the lessee adjusts the carrying amount of the right-of-use asset accordingly.

3) Short-term leases and low-value asset leases

For short-term leases with lease terms of up to 12 months and low-value asset leases with a lower value when the individual leased assets are brand-new, the Group chooses not to recognise right-of-use assets and lease liabilities. The Group recognises lease payments for short-term leases and low-value asset leases in the cost of the related assets or in profit or loss for the current period on a straight-line basis or other systematic and reasonable bases in each period of the lease term.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Lease (continued)

(3) The Group as the lessor

The Group, as lessor, classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset, otherwise it is classified as an operating lease.

1) Finance Lease

On the inception date of the lease term, the Group recognises finance lease receivables for finance leases and derecognises the finance lease assets. For the initial measurement of finance lease receivables, the Group uses the net lease investment as the recorded value of the finance lease receivables.

The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease. The Group calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Group not included in the measurement of the net investment in lease are recognised in profit or loss for the period as incurred.

2) Operating Lease

The Group recognises lease receipts from operating leases as rental income using the straight-line method during each period of the lease term.

The initial direct costs incurred by the Group in connection with operating leases are capitalised to the cost of the assets subject to the leases and amortised to current profit or loss over the lease terms on the same recognition basis as rental income. Variable lease payments acquired by the Group in connection with operating leases that are not included in the lease receipts are recognised in profit or loss when they are actually incurred.

If a change in an operating lease occurs, the Group accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease prior to the change is considered to be the amount received under the new lease.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Fair value measurement

The Group measures investments in investment properties, derivative financial instruments and equity instruments at fair value at each balance sheet date. Fair value is the price that will be received when selling an asset or the price to be paid to transfer a liability in an orderly transaction between market participants on the date of measurement.

Assets and liabilities that are measured or disclosed at fair value in the financial statements are identified at their respective fair value hierarchy based on the lowest level of input that is significant to the fair value measurement as a whole: Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access on the measurement date; Level 2 inputs are inputs other than those included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; Level 3 inputs are the non-observable inputs of relevant assets or liabilities.

For financial instruments traded in an active market, the Group determines their fair value using their quoted active market prices; For financial instruments that are not traded in an active market, the Group uses valuation techniques to determine their fair value and the valuation models used are mainly discounted cash flow models. The inputs to the valuation techniques consist mainly of: risk-free rate, credit premium and liquidity premium in terms of debt; and valuation multiplier and liquidity discount in terms of equity.

Level 3 fair values are determined based on the Group's valuation models, such as discounted cash flow models. The Group also considers the initial transaction price, recent transactions in identical or similar financial instruments, or third-party transactions in comparable financial instruments. At the balance sheet date, Level 3 financial assets measured at fair value are valued using significant unobservable inputs such as discount rates, but their fair values are not materially sensitive to reasonable changes in these significant unobservable inputs.

The Group uses the market approach to determine the fair value of its investments in unlisted equity securities. This requires the Group to identify, among others, comparable listed companies, select market multipliers, estimate liquidity discounts, which is therefore subject to uncertainty.

At each balance sheet date, the Group reassesses the assets and liabilities recognised in the financial statements that are measured at fair value on an ongoing basis to determine whether there has been a transition between the fair value measurement levels.

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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

None.

(2) Changes in significant accounting estimates

None.

IV TAXES

1. Major tax types and tax rates

Tax type	Tax basis	Tax rate
Value added tax	Value-added tax payable	1%, 3%, 5%, 6%, 9%, 13%
City maintenance and construction tax	Value-added tax payable	7%
Education fee surcharge	Value-added tax payable	3%
Local education fee surcharge	Value-added tax payable	2%
Corporate income tax	Taxable income	20%, 25%

IV TAXES (continued)**1. Major tax types and tax rates** (continued)

Different corporate income tax rates are described by taxable entity:

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
1	Zhangjiakou RiseSun Jingxuan Property Services Co., Ltd.	20%	Yes
2	Shijiazhuang Shengjing Fitness Service Co., Ltd.	20%	Yes
3	Roiserv (Shandong) Property Development Co., Ltd.	20%	Yes
5	Hohhot RiseSun Property Service Co., Ltd.	20%	Yes
6	Linqing Pujie Property Services Co., Ltd.	20%	Yes
7	Jiangsu Pujie Property Co., Ltd.	20%	Yes
8	Nanjing Handu Technology Industry Co., Ltd.	20%	Yes
9	Sichuan Roiserv Shengxin Property Service Co., Ltd.	20%	Yes
10	Henan Roiserv Lifestyle Service Co., Ltd.	20%	Yes
11	Roiserv (Guangdong) Lifestyle Service Co., Ltd.	20%	Yes
12	Qinhuangdao Business Co., Ltd.	20%	Yes
13	Roiserv (Beijing) Property Services Co., Ltd.	20%	Yes
14	Tianjin Roiserv Lifestyle Service Co., Ltd.	20%	Yes
15	Zhanjiang Rongjin Trading Co., Ltd.	20%	Yes
16	Hangzhou Rongjia Lifestyle Service Co., Ltd.	20%	Yes
17	Cangzhou Rongzhi Property Service Co., Ltd.	20%	Yes
18	Baoding Rongrun Property Service Co., Ltd.	20%	Yes
19	Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	20%	Yes
20	Zhangjiakou Rongmeng Property Management Co., Ltd.	20%	Yes
21	Zhangjiakou Rongguanyue Property Management Co., Ltd.	20%	Yes
22	Jiaxing Rongjun Lifestyle Service Co., Ltd.	20%	Yes
23	Jiaxing Rongsheng Lifestyle Service Co., Ltd.	20%	Yes
24	Liuzhi Special District Roiserv Life Service Co., Ltd.	20%	Yes

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2025 – December 31, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
25	Roiserv (Hunan) Lifestyle Service Co., Ltd.	20%	Yes
26	Binzhou Roiserv Lifestyle Service Co., Ltd.	20%	Yes
27	Roiserv (Tangshan) Lifestyle Service Co., Ltd.	20%	Yes
28	Changzhou Roiserv Lifestyle Service Co., Ltd.	20%	Yes
29	Baoding Roiserv Lifestyle Service Co., Ltd.	20%	Yes
30	Yixing Roiserv Property Management Co., Ltd.	20%	Yes
31	Nantong Rongtu Property Management Co., Ltd.	20%	Yes
32	Roiserv (Langfang) Lifestyle Service Co., Ltd.	20%	Yes
33	Langfang Anci District Rongzhi Life Service Co., Ltd.	20%	Yes
34	Langfang Guangyang Rongjia Life Service Co., Ltd.	20%	Yes
35	Xianghe Rongliang Property Management Co., Ltd.	20%	Yes
36	Sanhe Rongyi Lifestyle Service Co., Ltd.	20%	Yes
37	Xingtai Roiserv Property Management Co., Ltd.	20%	Yes
38	Bazhou Ronghao Property Management Co., Ltd.	20%	Yes
39	Handan Rongmiao Property Management Co., Ltd.	20%	Yes
40	Suzhou Rongjia Lifestyle Service Co., Ltd.	20%	Yes
41	Nanjing Puhe Property Services Co., Ltd.	20%	Yes
42	Roiserv (Xuzhou) Lifestyle Service Co., Ltd.	20%	Yes
43	Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	20%	Yes
44	Linyi Rongjia Lifestyle Service Co., Ltd.	20%	Yes
45	Chongqing Roiserv Lifestyle Service Co., Ltd.	20%	Yes
46	Roiserv (Shenyang) Lifestyle Service Co., Ltd.	20%	Yes
47	Xi'an Rongjia Shengxin Property Management Co., Ltd.	20%	Yes
48	Bengbu Rongjia Trading Co., Ltd.	20%	Yes
49	Liaocheng Roiserv Lifestyle Service Co., Ltd.	20%	Yes
50	Panjin Roiserv Lifestyle Service Co., Ltd.	20%	Yes
51	Tangshan Rongjing Lifestyle Service Co., Ltd.	20%	Yes
52	Xuzhou Quanrong Lifestyle Services Co., Ltd.	20%	Yes

IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
53	Tangshan Ronghui Lifestyle Service Co., Ltd.	20%	Yes
54	Bengbu Rongshang Technology Service Co., Ltd.	20%	Yes
55	Cangzhou Rongqian Property Service Co., Ltd.	20%	Yes
56	Yangjiang Shengshang Decoration Engineering Co., Ltd.	20%	Yes
57	Baotou Roiserv Property Service Co., Ltd.	20%	Yes
58	Wanjia Wisdom Sanitation Management (Xinglong County) Co., Ltd.	20%	Yes
59	Huizhou Zhaofengnian Engineering Co., Ltd.	20%	Yes
60	Shenyang Rongkun Trading Co., Ltd.	20%	Yes
61	Yongqing Jingtai Property Service Co., Ltd.	20%	Yes
62	Chengdu Rongchao Trading Co., Ltd.	20%	Yes
63	Nanjing Ronghui Trading Co., Ltd.	20%	Yes
64	Xianghe Rongkun Trading Co., Ltd.	20%	Yes
65	Tangshan Rongjun Trading Co., Ltd.	20%	Yes
66	Xuzhou Rongrun Trading Co., Ltd.	20%	Yes
67	Bengbu Rongchang Trading Co., Ltd.	20%	Yes
68	Cangzhou Rongkun Trading Co., Ltd.	20%	Yes
69	Hunan Rongkun Trading Co., Ltd.	20%	Yes
70	Shijiazhuang Rongci Trading Co., Ltd.	20%	Yes
71	Handan Rongchao Trading Co., Ltd.	20%	Yes
72	Linyi Ronghui Trading Co., Ltd.	20%	Yes
73	Rongfa Trading Co., Ltd. in Dongchangfu District, Liaocheng City	20%	Yes
74	Liaocheng Rongkun Construction Engineering Co., Ltd.	20%	Yes
75	Langfang Rongba Trading Co., Ltd.	20%	Yes
76	Chongqing Rongzhiguan Trading Co., Ltd.	20%	Yes
77	Cangzhou Rongguang Construction Engineering Co., Ltd.	20%	Yes
78	Huizhou Rongzhen Trading Co., Ltd.	20%	Yes
79	Langfang Duona Trading Co., Ltd.	20%	Yes
80	Shenyang Rongyue Trading Co., Ltd.	20%	Yes
81	Shenyang Rongxin Trading Co., Ltd.	20%	Yes

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IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
82	Tangshan Youanmi Catering Service Co., Ltd.	20%	Yes
83	Zhengzhou Shenshuo Trading Co., Ltd.	20%	Yes
84	Hohhot Rongmian Trading Co., Ltd.	20%	Yes
85	Jinan Rongfa Convenient Life Supermarket Co., Ltd.	20%	Yes
86	Cangzhou Rongna Trading Co., Ltd.	20%	Yes
87	Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	20%	Yes
88	Yangxi County Shanhu Sea Owner's Home Catering Service Co., Ltd.	20%	Yes
89	Zhangjiakou Rongyiheng Trading Co., Ltd.	20%	Yes
90	Cangzhou Rongqiao Trading Co., Ltd.	20%	Yes
91	Shijiazhuang Rongyu Trading Co., Ltd.	20%	Yes
92	Yueyang Rongyue Department Store Trading Co., Ltd.	20%	Yes
93	Jinan Rongtong Real Estate Brokerage Co., Ltd.	20%	Yes
94	Shenyang Ronghe Trading Co., Ltd.	20%	Yes
95	Shenyang Ronghua Trading Co., Ltd.	20%	Yes
96	Shenyang Rongguan Trading Co., Ltd.	20%	Yes
97	Nanjing Shengtou Automobile Service Co., Ltd.	20%	Yes
98	Tangshan Xuantu Automobile Service Co., Ltd.	20%	Yes
99	Jinan Rongfa Convenient Life Supermarket Co., Ltd. Second Branch	20%	Yes
100	Yixing Rongmiao Department Store Trading Co., Ltd.	20%	Yes
101	Cangzhou Rongxin Automobile Service Co., Ltd.	20%	Yes
102	Shenyang Roiserv Craftsmanship Car Wash and Beauty Co., Ltd.	20%	Yes
103	Jiaxing Rongjun Trading Co., Ltd.	20%	Yes
104	Zhanjiang Ronghui Automotive Beauty Co., Ltd.	20%	Yes
105	Handan Rongyiheng Trading Co., Ltd.	20%	Yes
106	Liaocheng Guandi Automobile Beauty Maintenance Service Co., Ltd.	20%	Yes
107	Liaocheng Shengkun Trade and Sales Co., Ltd.	20%	Yes

IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
108	Cangzhou Rongmai Trading Co., Ltd.	20%	Yes
109	Cangzhou Rongxiu Trading Co., Ltd.	20%	Yes
110	Cangzhou Rongzhe Trading Co., Ltd.	20%	Yes
111	Cangzhou Rongqi Trading Co., Ltd.	20%	Yes
112	Zhanjiang Ronghan Trading Co., Ltd.	20%	Yes
113	Zhanjiang Jiatianwa Real Estate Brokerage Service Co., Ltd.	20%	Yes
114	Shenyang Rongyu Trading Co., Ltd.	20%	Yes
115	Changsha Rongdou Catering Service Co., Ltd.	20%	Yes
116	Cangzhou Rongliang Automobile Service Co., Ltd.	20%	Yes
117	Handan Rongyuyuan Trading Co., Ltd.	20%	Yes
118	Shenyang Rongxi Catering Management Co., Ltd.	20%	Yes
119	Zhanjiang Shengxu Trading Co., Ltd.	20%	Yes
120	Shijiazhuang Rongxu Trading Co., Ltd.	20%	Yes
121	Yangxi County Property Rongyuwan Owners' Home Catering Service Co., Ltd.	20%	Yes
122	Zhanjiang Owner's Home Catering Service Co., Ltd.	20%	Yes
123	Nanjing Rongling Trading Co., Ltd.	20%	Yes
124	Hohhot Rongzhen Trading Co., Ltd.	20%	Yes
125	Hebei Rongheng Bosheng Power Engineering Co., Ltd.	20%	Yes
126	Changsha Sanfen Liangtian Real Estate Brokerage Co., Ltd.	20%	Yes
127	Shijiazhuang Rongmi Trading Co., Ltd.	20%	Yes
128	Shijiazhuang Rongdi Trading Co., Ltd.	20%	Yes
129	Yangjiang Shengshang Technology Co., Ltd.	20%	Yes
130	Shenyang Sujie Car Wash and Beauty Co., Ltd.	20%	Yes
131	Ronggao Trading (Jiaxing) Co., Ltd.	20%	Yes
132	Zhanjiang Rongsheng Trading Co., Ltd.	20%	Yes
133	Zhanjiang Shengyi Trading Co., Ltd.	20%	Yes
134	Jinan Ronghuai Trading Co., Ltd.	20%	Yes
135	Jinan Shengzhuang Decoration Service Co., Ltd.	20%	Yes

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IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
136	Langfang Rongshang Technology Co., Ltd.	20%	Yes
137	Hohhot Rongmiao Trading Co., Ltd.	20%	Yes
138	Zhanjiang Shengjing Trading Co., Ltd.	20%	Yes
139	Shijiazhuang Rongmiao Technology Co., Ltd.	20%	Yes
140	Guangdong Rongshang Technology Co., Ltd.	20%	Yes
141	Zhangjiakou Rongshang Technology Service Co., Ltd.	20%	Yes
142	Tangshan Rongshang Engineering Management Co., Ltd.	20%	Yes
143	Jiaxing Rongshang Engineering Technology Co., Ltd.	20%	Yes
144	Chengdu Rongzhishang Technology Co., Ltd.	20%	Yes
145	Langfang Rongrong Trading Co., Ltd.	20%	Yes
146	Hunan Rongmiao Technology Co., Ltd.	20%	Yes
147	Handan Rongna Technology Engineering Co., Ltd.	20%	Yes
148	Xuzhou Rongzhishang Technology Co., Ltd.	20%	Yes
149	Bengbu Rongshang Technology Co., Ltd.	20%	Yes
150	Liaocheng Rongxu Trade and Sales Co., Ltd.	20%	Yes
151	Nanjing Rongzhishang Technology Co., Ltd.	20%	Yes
152	Shenyang Rongshang Technology Co., Ltd.	20%	Yes
153	Nanjing Rongshe Trading Co., Ltd.	20%	Yes
154	Nanjing Rongzhi Home Technology Co., Ltd.	20%	Yes
155	Zhanjiang Shengli Elevator Co., Ltd.	20%	Yes
156	Zhanjiang Zhencifang Huashi Engineering Co., Ltd.	20%	Yes
157	Shenyang Rongxu Real Estate Agents Co., Ltd.	20%	Yes
158	Tangshan Jufeng Decoration Engineering Co., Ltd.	20%	Yes
159	Dezhou Rongqi Trading Co., Ltd.	20%	Yes
160	Xuzhou Rongzhiyi Technology Co., Ltd.	20%	Yes
161	Hebei Bihai Laundry Services Co., Ltd.	20%	Yes
162	Hebei Jincheng Cleaning Services Co., Ltd.	20%	Yes

IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
163	Langfang Wuyun Dongfang Landscape Engineering Co., Ltd.	20%	Yes
164	Langfang Zhenzhi Human Resources Co., Ltd.	20%	Yes
165	Bei'an Dushang Environmental Development Co., Ltd.	20%	Yes
166	Huanren RiseSun Anxu Environmental Development Co., Ltd.	20%	Yes
167	Liaocheng Rongjia Design & Decoration Co., Ltd.	20%	Yes
168	Shennongjia Forest District Linrong Trading Co., Ltd.	20%	Yes
169	Zhanjiang Rongli Trading Co., Ltd.	20%	Yes
170	Zhanjiang Rongyu Trading Co., Ltd.	20%	Yes
171	Xianghe Wanjia Wisdom Sanitation Management Co., Ltd.	20%	Yes
172	Nangong Dushan Sanitation Management Co., Ltd.	20%	Yes
173	Zhanjiang Rongmiao Trading Co., Ltd.	20%	Yes
174	Yangjiang Shengshang Trading Co., Ltd.	20%	Yes
175	Zhanjiang Shengzhen Trading Co., Ltd.	20%	Yes
176	Jinan Rongman Trading Co., Ltd.	20%	Yes
177	Foshan Rongshenghui Trading Co., Ltd.	20%	Yes
178	Rongdou Agricultural Development (Inner Mongolia) Co., Ltd.	20%	Yes
179	Dushan Sanitation Management (Longhua) Co., Ltd.	20%	Yes
180	Chongqing Linlin Shiguang Trading Co., Ltd.	20%	Yes
181	Langfang Rongyue Health Management Service Co., Ltd.	20%	Yes
182	Dushan Sanitation Management (Bei'an) Co., Ltd.	20%	Yes
183	Bayannur Roiserv Property Service Co., Ltd.	20%	Yes
184	Huaihua Rong'an Property Services Co., Ltd.	20%	Yes
185	Other companies	25%	No

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(Unless indicated otherwise, all amounts are expressed in RMB)

IV TAXES (continued)

2. Tax benefits

According to the Announcement on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Sole Traders (Caishui [2023] No. 12), it is stipulated that from January 1, 2023 to December 31, 2027, the taxable income of small and micro enterprises shall be calculated at a reduced 25% and subject to enterprise income tax at a rate of 20%.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementation of the Relief Policy of “Six Taxes and Two Fees” for Small and Micro Enterprises (Announcement of the Ministry of Finance and the State Administration of Taxation No. 10 of 2022), the people’s governments of provinces, autonomous regions and municipalities directly under the Central Government shall determine, in accordance with their practical conditions in their respective regions and the needs of macroeconomic control, that small-scale VAT taxpayers, small and micro enterprises shall be entitled to a 50% reduction in the tax amount of resource tax, city maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax and education fee surcharge and local education fee surcharge.

Small and micro enterprises in that announcement refer to those that are engaged in non-restricted and non-prohibited industries and meet the following three conditions at the same time: the annual taxable income of not more than RMB3 million, the number of employees not exceeding 300, and the total assets of not more than RMB50 million. The Announcement shall come into effect on January 1, 2023 to December 31, 2027.

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

In the financial statements disclosed below, unless otherwise stated, “Opening” refers to January 1, 2025, “Closing” refers to December 31, 2025, “Current year” refers to January 1 to December 31, 2025 and “Prior year” refers to January 1 to December 31, 2024, and the currency unit is RMB.

1. Cash and cash equivalents

Item	Closing balance	Opening balance
Cash on hand	0.00	1,085.00
Bank deposits	528,857,953.23	168,449,082.81
Other cash and cash equivalents	529,429.57	415,145,079.79
Total	529,387,382.80	583,595,247.60
Including: total amount deposited abroad	926,919.25	22,798.59

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Cash and cash equivalents (continued)

Restricted use of cash and cash equivalents

Item	Closing balance	Opening balance
Judicial freeze	20,646,084.91	29,880,607.14

2. Notes receivable

(1) Presentation of notes receivable by category

Item	Closing balance	Opening balance
Commercial acceptances	599,000.00	0.00
Bank acceptances	77,324.00	0.00
Total	676,324.00	0.00

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2025 – December 31, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Notes receivable (continued)

(2) Presentation by bad debt accrual method

Category	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	676,324.00	100.00	43,916.63	6.49	632,407.37
Including: Aging portfolio	676,324.00	100.00	43,916.63	6.49	632,407.37

Category	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	0.00	0.00	0.00	0.00	0.00
Including: Aging portfolio	0.00	0.00	0.00	0.00	0.00

(3) Provisions for bad debts that are made, recovered or reversed for the year in respect of notes receivable

Category	Opening balance	Accrual	Amount of change in current year			Closing balance
			Recovery or reversal	Charge off or write-off	Others	
Notes receivable	0.00	43,916.63	0.00	0.00	0.00	43,916.63

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable

(1) Accounts receivable presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	1,286,809,599.10	1,420,972,949.85
1-2 years	422,726,408.40	484,220,845.26
2-3 years	297,371,249.32	309,037,741.69
More than 3 years	412,238,172.80	337,167,354.06
Including: 3-4 years	188,185,567.72	305,760,437.47
4-5 years	197,860,721.76	24,914,834.02
More than 5 years	26,191,883.32	6,492,082.57
Total	2,419,145,429.62	2,551,398,890.86

(2) Accounts receivable classified according to the bad debt accrual method

Category	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,419,145,429.62	100.00	466,747,051.56	19.29	1,952,398,378.06
Including: Aging portfolio	2,419,145,429.62	100.00	466,747,051.56	19.29	1,952,398,378.06

Category	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,551,398,890.86	100.00	435,206,782.83	17.06	2,116,192,108.03
Including: Aging portfolio	2,551,398,890.86	100.00	435,206,782.83	17.06	2,116,192,108.03

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(2) Accounts receivable classified according to the bad debt accrual method (continued)

1) Provision for bad debts of accounts receivable by portfolio – related parties

Aging	Book balance	Closing balance	
		Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	199,034,323.99	13,307,861.46	6.69%
1-2 years	311,287,936.64	40,795,528.60	13.11%
2-3 years	261,784,062.25	95,613,089.11	36.52%
More than 3 years	319,274,813.91	188,168,439.71	58.94%
Including: 3-4 years	170,364,668.28	97,234,444.12	57.07%
4-5 years	135,061,634.05	77,085,484.01	57.07%
More than 5 years	13,848,511.58	13,848,511.58	100.00%
Total	1,091,381,136.79	337,884,918.88	–

2) Provision for bad debts of accounts receivable by portfolio – non-related parties

Aging	Book balance	Closing balance	
		Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	1,087,775,275.11	54,388,763.83	5.00%
1-2 years	111,438,471.76	11,143,847.25	10.00%
2-3 years	35,587,187.07	10,676,156.13	30.00%
More than 3 years	92,963,358.89	52,653,365.47	56.64%
Including: 3-4 years	17,820,899.44	8,910,449.80	50.00%
4-5 years	62,799,087.71	31,399,543.93	50.00%
More than 5 years	12,343,371.74	12,343,371.74	100.00%
Total	1,327,764,292.83	128,862,132.68	–

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(3) Provisions for bad debts that are made, recovered or reversed for the year in respect of accounts receivable

Category	Opening balance	Amount of change in current year			Others	Closing balance
		Accrual	Recovery or reversal	Charge off or write-off		
Provision for bad debts by portfolio	435,206,782.83	32,100,866.99	0.00	560,598.26	0.00	466,747,051.56

(4) Accounts receivable actually written off during the year

Item	Amount of write-off
Accounts receivable actually written-off	560,598.26

Of which significant written-off accounts receivable:

Name of entity	Nature of accounts receivable	Amount of write-off	Reason for write-off	Write-off procedures performed	Whether the amount arises from a related transaction
Handan Hanshan Golden Ant Decoration Engineering Co., Ltd.	Payments for goods purchased	167,419.23	Unrecoverable	Approval by Divisional Heads, Headquarters	No
Langfang Shengzhuokai Trading Co., Ltd.	Payments for goods purchased	74,272.00	Unrecoverable	Approval by Divisional Heads, Headquarters	No
Anhui Dabanjia Building Materials Co., Ltd.	Payments for goods purchased	44,000.00	Unrecoverable	Approval by Divisional Heads, Headquarters	No
Total	-	285,691.23	-	-	-

(5) Top five accounts receivable and contract assets with closing balances grouped by the debtor

The aggregate amount of the top five accounts receivable and contract assets with closing balance grouped by debtors for the year was RMB186,155,738.55, accounting for 7.58% of the total closing balance of accounts receivable and contract assets., and the aggregate amount of the corresponding provision for bad debts with closing balance was RMB28,888,684.46.

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Prepayments

(1) Aging of prepayments

Item	Closing balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	59,469,238.07	40.49	41,848,250.64	37.84
1-2 years	21,153,185.02	14.40	60,153,778.08	54.39
2-3 years	58,142,192.57	39.58	7,441,921.45	6.73
More than 3 years	8,115,859.49	5.53	1,148,374.18	1.04
Total	146,880,475.15	100.00	110,592,324.35	100.00

(2) Top five prepayments with closing balances grouped by prepaid objects

The aggregate amount of the top five prepayments with closing balances grouped by prepaid objects for the year was RMB85,696,192.50, accounting for 58.34% of the total prepayments with closing balances.

5. Other receivables

Item	Closing balance	Opening balance
Interest receivable	195,024.09	223,294.22
Other receivables	470,221,907.01	570,881,960.80
Total	470,416,931.10	571,105,255.02

5.1 Interest receivable

Item	Closing balance	Opening balance
Interest on Certificate of Deposit	195,024.09	223,294.22

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Other receivables (continued)

5.2 Other receivables

(1) Classification of other receivables by nature of payment

Nature of payment	Closing book balance	Opening book balance
Deposit and guarantee	300,808,907.50	360,769,813.69
Advances for utilities, etc.	122,913,812.30	133,270,499.56
Current payments	75,881,245.12	66,230,092.03
Provisional payments for receipts in lieu	62,411,384.66	56,125,139.83
Collection on behalf of third-party platforms	91,038,984.56	92,665,225.01
Reserves	6,493,804.89	6,704,352.36
Maintenance fund	2,424,497.51	3,037,118.41
Social security and provident fund payment	4,188,791.44	3,142,735.44
Others	5,202,727.03	5,141,237.78
Total	671,364,155.01	727,086,214.11

(2) Other receivables presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	105,016,437.55	283,417,292.67
1-2 years	227,216,849.98	153,770,674.73
2-3 years	127,981,508.32	216,386,075.13
More than 3 years	211,149,359.16	73,512,171.58
Including: 3-4 years	148,787,223.44	29,765,693.49
4-5 years	28,174,763.24	9,391,915.44
More than 5 years	34,187,372.48	34,354,562.65
Total	671,364,155.01	727,086,214.11

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Other receivables (continued)

5.2 Other receivables (continued)

(3) Other receivables classified according to the bad debt accrual method

Category	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	671,364,155.01	100.00	201,142,248.00	29.96	470,221,907.01
Including: Aging portfolio	671,364,155.01	100.00	201,142,248.00	29.96	470,221,907.01

Category	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	727,086,214.11	100.00	156,204,253.31	21.48	570,881,960.80
Including: Aging portfolio	727,086,214.11	100.00	156,204,253.31	21.48	570,881,960.80

1) Bad debt provision for other receivables by portfolio – related parties

Aging	Book balance	Closing balance	Accrual ratio (%)
	Bad debt provision	Bad debt provision	
Within 1 year (including 1 year)	47,749,056.12	3,189,982.59	6.69%
1-2 years	124,435,207.47	16,307,731.36	13.11%
2-3 years	52,230,310.57	19,076,414.75	36.52%
More than 3 years	72,333,940.73	53,774,226.64	74.34%
Including: 3-4 years	17,819,602.03	10,170,413.35	57.07%
4-5 years	25,417,234.29	14,506,708.88	57.07%
More than 5 years	29,097,104.41	29,097,104.41	100.00%
Total	296,748,514.89	92,348,355.34	-

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Other receivables (continued)

5.2 Other receivables (continued)

(3) Other receivables classified according to the bad debt accrual method (continued)

2) Bad debt provision for other receivables by portfolio – non-related parties

Aging	Closing balance		Accrual ratio (%)
	Book balance	Bad debt provision	
Within 1 year (including 1 year)	55,102,591.18	2,755,130.63	5.00%
1-2 years	102,781,642.51	10,278,164.27	10.00%
2-3 years	75,751,197.75	22,725,359.32	30.00%
More than 3 years	140,980,208.68	73,035,238.44	51.81%
Including: 3-4 years	133,132,411.66	66,566,205.88	50.00%
4-5 years	2,757,528.95	1,378,764.49	50.00%
More than 5 years	5,090,268.07	5,090,268.07	100.00%
Total	374,615,640.12	108,793,892.66	–

(4) Provisions for bad debts that are made, recovered or reversed for the year in respect of other receivables

Category	Opening balance	Accrual	Amount of change in current year			Closing balance
			Recovery or reversal	Charge off or write-off	Others	
Provision for bad debts by portfolio	156,204,253.31	44,977,372.84	0.00	39,378.15	0.00	201,142,248.00

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Other receivables (continued)

5.2 Other receivables (continued)

(5) Top five other receivables with closing balances grouped by debtor

Name of entity	Nature of payment	Closing balance	Aging	Percentage of total closing balance of other receivables (%)	Closing balance of bad debt provision
Langfang Junyi Building Materials Co., Ltd.	Deposits and guarantees; Provisional payments for receipts in lieu	127,014,478.87	1-2 years RMB7,168,064.55. 2-3 years RMB40,000.00. 3-4 years RMB119,806,414.32.	18.92	60,632,013.62
Sizhong Internet (Beijing) Network Technology Co., Ltd.	Collection on behalf of third-party platforms	84,738,272.06	Within 1 year RMB16,494,530.34. 1-2 years RMB34,245,917.65. 2-3 years RMB33,994,701.94. 4-5 years RMB3,122.13.	12.62	18,008,811.23
Langfang International Exhibition Group Co., Ltd.	Current payments	29,695,600.69	Within 1 year RMB345,432.00. 2-3 years RMB29,350,168.69.	4.42	8,822,322.21
Changzhou Alcadia RoEasy Cozy Hotel Co., Ltd.	Deposits and guarantees	27,271,970.01	Within 1 year RMB4,025,366.52. 1-2 years RMB21,428,991.35. 2-3 years RMB1,817,612.14.	4.06	3,741,357.87
RiseSun Real Estate Development Co., Ltd.	Provisional payments for receipts in lieu	24,460,412.93	1-2 years RMB22,149,164.65. 2-3 years RMB2,311,248.28.	3.64	3,746,888.76
Total	-	293,180,734.56	-	43.66	94,951,393.69

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Inventories

Item	Closing balance		Book value
	Book balance	Provision for impairment of inventories/ impairment of contractual performance costs	
Raw materials	8,081,157.46		8,081,157.46
Stock items	739,944,005.11	20,426,363.17	719,517,641.94
Revolving material	13,987,527.58		13,987,527.58
Total	762,012,690.15	20,426,363.17	741,586,326.98

Item	Opening balance		Book value
	Book balance	Provision for impairment of inventories/ impairment of contractual performance costs	
Raw materials	6,717,488.34	0.00	6,717,488.34
Stock items	319,282,013.76	0.00	319,282,013.76
Revolving material	13,141,138.23	0.00	13,141,138.23
Total	339,140,640.33	0.00	339,140,640.33

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Contract assets

(1) Detail of contract assets

Item	Closing balance		Book value
	Book balance	Provision for impairment	
Engineering construction	36,990,705.97	2,261,808.51	34,728,897.46

Item	Book balance	Opening balance	Book value
		Provision for impairment	
Engineering construction	28,607,407.76	1,652,738.79	26,954,668.97

(2) Contract assets by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	36,990,705.97	28,607,407.76
Provision for impairment	2,261,808.51	1,652,738.79
Book value	34,728,897.46	26,954,668.97

(3) Provisions for bad debts that are made, recovered or reversed for the year in respect of contract assets

Item	Opening balance	Accrual in current year	Reversal in current year	Charge-off/Write-off for the year	Closing balance
Engineering construction	1,652,738.79	609,069.72	0.00	0.00	2,261,808.51

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivables due within one year	1,872,205.80	1,872,205.80

9. Other current assets

Item	Closing balance	Opening balance
Prepaid corporate income tax	32,661,514.31	21,735,685.45
Input VAT credit	6,007,283.58	5,653,389.71
Prepaid personal income tax	22,825.12	10,720.02
Prepaid urban construction tax	19,540.69	6,149.59
Prepaid education surcharge	8,793.93	2,647.65
Prepaid local education surcharge	5,862.66	1,765.13
Prepaid stamp duty	64.11	0.00
Prepaid property tax	0.00	1,876.80
Others	307,111.50	384,451.27
Total	39,032,995.90	27,796,685.62

10. Long-term receivables

Item	Closing balance			Opening balance			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Receivables from the assignment of operating rights of commercial parking spaces	3,239,603.09	0.00	3,239,603.09	4,891,742.87	0.00	4,891,742.87	-

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments

Investee	Opening balance (book value)	Opening balance of impairment provision	Additional investments	Reduced investment	Gains or losses recognized on investments under the equity method	Changes in current year						Closing balance of provision for impairment (Book value)	Closing balance of provision for impairment
						Adjustment to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others			
I. Joint ventures													
Bengbu Dongfang Wenjia Lifestyle Service Co., Ltd.	1,921,122.02	0.00	0.00	0.00	245,582.89	0.00	0.00	0.00	0.00	-2,166,704.91	0.00	0.00	0.00
II. Associates													
Beijing Yinsiang Information Technology Co., Ltd.	101,775,499.38	0.00	0.00	0.00	-6,546,129.34	0.00	0.00	0.00	0.00	0.00	85,229,370.04	0.00	0.00
Gangzhou Rongyue Property Service Co., Ltd. (常州荣悦物业服务有限公司)	0.00	0.00	150,000.00	0.00	-150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	103,696,621.40	0.00	150,000.00	0.00	-6,450,546.45	0.00	0.00	0.00	0.00	-2,166,704.91	85,229,370.04	0.00	0.00

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Investment properties

Item	House and building	Car parking	Total
I. Opening balance	23,156,338.87	46,505,684.80	69,662,023.67
II. Change for the year	-170,655.58	-781,684.80	-952,340.38
Add: Outsourcing	0.00	97,000.00	97,000.00
Less: Disposal	158,914.34	90,000.00	248,914.34
Add: Fair value changes	-11,741.24	-788,684.80	-800,426.04
III. Closing balance	22,985,683.29	45,724,000.00	68,709,683.29

13. Fixed assets

Item	Closing balance	Opening balance
Fixed assets	26,532,245.77	33,522,106.82
Disposal of fixed assets	0.00	0.00
Total	26,532,245.77	33,522,106.82

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Fixed assets (continued)

Details of fixed assets

Item	General equipment	Transportation equipment	Special equipment	Other equipment	Total
I. Original book value	-	-	-	-	-
1. Opening balance	36,752,425.98	14,146,244.97	29,306,735.02	2,350,900.68	82,556,306.65
2. Increase in current year	2,332,627.63	958,753.70	1,100,927.52	22,444.40	4,414,753.25
(1) Acquisition	1,925,881.03	936,879.36	1,036,905.39	22,444.40	3,922,110.18
(2) Increase through business combinations	406,746.60	21,874.34	64,022.13	0.00	492,643.07
3. Decrease in current year	1,171,850.26	1,977,465.26	955,804.72	69,901.65	4,175,021.89
(1) Disposal or scrap	1,171,850.26	1,977,465.26	955,804.72	69,901.65	4,175,021.89
(2) Decrease through business combinations	0.00	0.00	0.00	0.00	0.00
4. Closing balance	37,913,203.35	13,127,533.41	29,451,857.82	2,303,443.43	82,796,038.01
II. Accumulated depreciation	-	-	-	-	-
1. Opening balance	24,612,172.41	8,028,071.29	14,398,130.76	1,995,825.37	49,034,199.83
2. Increase in current year	4,484,093.06	1,823,423.63	3,946,809.88	75,192.87	10,329,519.44
(1) Accrual	4,317,059.97	1,823,423.63	3,946,809.88	75,192.87	10,162,486.35
(2) Increase through business combinations	167,033.09	0.00	0.00	0.00	167,033.09
3. Decrease in current year	1,002,060.34	1,307,721.09	737,242.31	52,903.29	3,099,927.03
(1) Disposal or scrap	1,002,060.34	1,307,721.09	737,242.31	52,903.29	3,099,927.03
(2) Decrease through business combinations	0.00	0.00	0.00	0.00	0.00
4. Closing balance	28,094,205.13	8,543,773.83	17,607,698.33	2,018,114.95	56,263,792.24
III. Provision for impairment	-	-	-	-	-
1. Opening balance	0.00	0.00	0.00	0.00	0.00
2. Increase in current year	0.00	0.00	0.00	0.00	0.00
(1) Accrual	0.00	0.00	0.00	0.00	0.00
(2) Increase through business combinations	0.00	0.00	0.00	0.00	0.00
3. Decrease in current year	0.00	0.00	0.00	0.00	0.00
(1) Disposal or scrap	0.00	0.00	0.00	0.00	0.00
(2) Decrease through business combinations	0.00	0.00	0.00	0.00	0.00
4. Closing balance	0.00	0.00	0.00	0.00	0.00
IV. Book value	-	-	-	-	-
1. Closing book value	9,818,998.22	4,583,759.58	11,844,159.49	285,328.48	26,532,245.77
2. Opening book value	12,140,253.57	6,118,173.68	14,908,604.26	355,075.31	33,522,106.82

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Right-of-use assets

Item	House and building	Sanitary equipment	Transportation vehicle	Total
I. Original book value	–	–	–	–
1. Opening balance	1,344,487.50	23,870,339.84	348,101.24	25,562,928.58
2. Increase in current year	84,667.48	0.00	0.00	84,667.48
(1) New leases	84,667.48	0.00	0.00	84,667.48
3. Decrease in current year	389,895.87	0.00	0.00	389,895.87
(1) Lease termination	389,895.87	0.00	0.00	389,895.87
4. Closing balance	1,039,259.11	23,870,339.84	348,101.24	25,257,700.19
II. Accumulated depreciation	–	–	–	–
1. Opening balance	661,613.51	7,298,086.14	249,335.96	8,209,035.61
2. Increase in current year	457,753.76	7,956,779.94	37,036.98	8,451,570.68
(1) Accrual	457,753.76	7,956,779.94	37,036.98	8,451,570.68
3. Decrease in current year	389,895.85	0.00	0.00	389,895.85
(1) Lease termination	389,895.85	0.00	0.00	389,895.85
4. Closing balance	729,471.42	15,254,866.08	286,372.94	16,270,710.44
III. Provision for impairment	–	–	–	–
1. Opening balance	0.00	0.00	0.00	0.00
2. Increase in current year	0.00	0.00	0.00	0.00
(1) Accrual	0.00	0.00	0.00	0.00
3. Decrease in current year	0.00	0.00	0.00	0.00
(1) Lease termination	0.00	0.00	0.00	0.00
4. Closing balance	0.00	0.00	0.00	0.00
IV. Book value	–	–	–	–
1. Closing book value	309,787.69	8,615,473.76	61,728.30	8,986,989.75
2. Opening book value	682,873.99	16,572,253.70	98,765.28	17,353,892.97

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Intangible assets

Item	Software usage rights
I. Original book value	–
1. Opening balance	17,152,084.77
2. Increase in current year	19,690.60
(1) Acquisition	19,690.60
3. Decrease in current year	22,859.80
(1) Disposal	22,859.80
4. Closing balance	17,148,915.57
II. Accumulated amortization	–
1. Opening balance	9,043,772.17
2. Increase in current year	1,799,403.26
(1) Accrual	1,799,403.26
3. Decrease in current year	22,859.80
(1) Disposal	22,859.80
4. Closing balance	10,820,315.63
III. Provision for impairment	–
1. Opening balance	0.00
2. Increase in current year	0.00
(1) Accrual	0.00
3. Decrease in current year	0.00
(1) Disposal	0.00
4. Closing balance	0.00
IV. Book value	–
1. Closing book value	6,328,599.94
2. Opening book value	8,108,312.60

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Goodwill

Name of Investee	Opening balance	Increase during the year	Decrease during the year	Closing balance
Huizhou Zhaofengnian Engineering Co., Ltd.	0.00	2,154,017.43	0.00	2,154,017.43

17. Long-term deferred expenses

Item	Opening balance	Increase during the year	Amortisation during the year	Other decreases during the year	Closing balance
Decoration costs	8,934,215.75	2,522,987.87	4,059,609.46	0.00	7,397,594.16
Others	2,659,478.76	6,752,029.37	4,427,312.96	0.00	4,984,195.17
Total	11,593,694.51	9,275,017.24	8,486,922.42	0.00	12,381,789.33

18. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets without offsetting

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Bad debt provision	667,889,299.56	153,487,858.09	591,411,036.14	135,571,596.03
Provision for asset impairment	22,688,171.68	5,498,071.76	1,652,738.79	307,276.05
Deductible losses	68,485,758.86	7,289,262.78	63,358,075.69	6,525,078.14
Lease liabilities arising from leases	14,487,290.20	3,214,112.04	24,612,395.73	5,502,563.46
Contract liabilities (shopping vouchers)	541,911.59	82,598.20	634,975.30	113,310.99
Total	774,092,431.89	169,571,902.87	681,669,221.65	148,019,824.67

(2) Deferred income tax liabilities without offsetting

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Changes in fair value of investment properties	8,426,050.92	2,078,312.73	9,226,476.96	2,278,419.24
Right-of-use assets arising from leases	14,098,798.64	3,137,799.66	24,117,841.64	5,375,888.99
Accelerated depreciation of fixed assets	6,927,466.52	1,731,866.63	8,837,892.59	2,209,473.15
Total	29,452,316.08	6,947,979.02	42,182,211.19	9,863,781.38

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Assets with restricted ownership or right to use

Item	Closing		Type of restriction	Restriction
	Book balance	Book value		
Monetary funds	20,646,084.91	20,646,084.91	Freeze	Judicial freeze

Item	Opening		Type of restriction	Restriction
	Book balance	Book value		
Monetary funds	29,880,607.14	29,880,607.14	Freeze	Judicial freeze

20. Short-term borrowings

Type of borrowings	Closing balance	Opening balance
Guaranteed loan	3,000,000.00	3,000,000.00

21. Accounts payable

(1) Presentation of accounts payable

Item	Closing balance	Opening balance
Construction	446,904,721.63	468,483,974.58
Service fees	210,183,014.90	193,365,517.78
Payments for goods purchased	62,157,225.19	71,997,714.58
Total	719,244,961.72	733,847,206.94

(2) Presentation of accounts payable by aging

Aging	Closing balance	Opening balance
Within 1 year	362,044,956.61	415,258,382.59
1-2 years	152,313,261.34	130,587,491.76
2-3 years	69,284,392.37	85,915,596.41
3-4 years	60,511,265.55	83,581,844.92
4-5 years	61,128,879.98	8,026,282.91
More than 5 years	13,962,205.87	10,477,608.35
Total	719,244,961.72	733,847,206.94

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Advance from customers

Category	Closing balance	Opening balance
Leasing	1,763,335.24	1,392,505.44

23. Contract liabilities

(1) Contract liabilities

Item	Closing balance	Opening balance
Property charges	344,061,869.09	322,945,630.89
Other community value-added services	72,215,226.30	67,357,792.26
Engineering construction	48,389,689.65	30,600,147.95
Garbage disposal fees and self-heating	10,407,754.83	11,647,372.26
Pre-intervention services	4,343,436.09	3,341,978.99
Sales payment	4,749,555.18	3,028,140.27
Elevator usage fees	3,915,113.46	3,550,610.19
Start-up fee	1,937,193.57	1,793,400.61
Others	2,783,411.86	3,932,500.41
Total	492,803,250.03	448,197,573.83

(2) Recognized revenue included in the opening contract liability carry-forward

Item	Current year amount	Prior year amount
Community services	342,076,113.75	294,723,985.98
Urban services	35,735,527.55	31,529,461.51
Peripheral services	70,385,932.53	65,581,821.30
Total	448,197,573.83	391,835,268.79

Note: The total transaction price of RMB492,803,250.03 allocated to unfulfilled (or partially unfulfilled) performance obligations as at December 31, 2025 is expected to be recognized as revenue in 2026. Quantitative or qualitative information about the timing of the recognition of the amount as revenue: For both urban services and peripheral services, the services are delivered over a short period of time (usually less than) one year; there is no fixed term for community services and the contract service period is always shorter than one year.

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Employee benefits payable

(1) Classification of employee benefits payable Item

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term compensation	121,711,609.38	614,989,166.24	616,798,847.86	119,901,927.76
Post-employment benefits				
– Defined contribution plan	10,192,022.71	70,909,669.26	73,558,063.99	7,543,627.98
Termination benefits		567,063.62	517,653.02	49,410.60
Total	131,903,632.09	686,465,899.12	690,874,564.87	127,494,966.34

(2) Short-term compensation

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	98,498,869.05	541,229,170.77	543,506,358.38	96,221,681.44
Employee benefit costs	4,142,993.26	4,706,048.68	6,200,458.87	2,648,583.07
Social security fee	3,254,724.99	42,469,593.46	42,879,409.20	2,844,909.25
Including: Medical insurance premiums	2,929,056.10	37,247,734.26	37,435,463.98	2,741,326.38
Industrial injury insurance premium	243,448.06	4,628,659.71	4,853,506.91	18,600.86
Birth insurance premium	82,220.83	593,199.49	590,438.31	84,982.01
Housing provident fund	2,146,702.43	21,882,590.42	20,418,287.93	3,611,004.92
Labor union expenditure and personnel education fund	13,668,319.65	4,701,762.91	3,794,333.48	14,575,749.08
Total	121,711,609.38	614,989,166.24	616,798,847.86	119,901,927.76

(3) Defined contribution plan

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic endowment insurance	9,930,394.89	68,113,025.20	70,943,138.65	7,100,281.44
Unemployment insurance	261,627.82	2,796,644.06	2,614,925.34	443,346.54
Total	10,192,022.71	70,909,669.26	73,558,063.99	7,543,627.98

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Taxes and surcharges payable

Item	Closing balance	Opening balance
Corporate income tax	68,745,576.55	60,615,543.86
Value added tax	26,289,745.91	24,627,081.81
Urban construction tax	640,709.32	512,689.74
Personal income tax	389,644.46	467,351.77
Education fee surcharge	292,471.72	208,598.64
Property tax	285,979.50	77,525.88
Local education fee surcharge	186,439.48	138,731.69
Stamp duty	73,355.03	36,698.08
Land use tax	38,879.50	26,623.80
Water conservancy fund	10,375.60	4,554.94
Others	2,065,552.34	1,724,908.25
Total	99,018,729.41	88,440,308.46

26. Other payables

Item	Closing balance	Opening balance
Dividends payable	7,270.63	7,270.63
Other payables	490,095,738.31	499,749,745.29
Total	490,103,008.94	499,757,015.92

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Other payables (continued)

26.1 Dividends payable

Item	Closing balance	Opening balance
Dividends payable	7,270.63	7,270.63

26.2 Other payables

Other payables by nature of payment

Nature of payment	Closing book balance	Opening book balance
Receipts in lieu	240,628,392.72	252,732,969.53
Deposit and guarantee	87,247,166.12	81,930,297.37
Current payments	75,131,815.83	73,928,303.23
Maintenance fund	59,832,577.37	68,105,988.77
Operating debits	6,170,113.88	5,830,023.84
Accrued expenses	1,972,896.14	1,877,197.43
Start-up fee	1,880,082.84	1,914,421.92
Indemnity, fines	1,867,577.43	1,638,400.89
Maintenance fee	892,582.93	872,503.44
Payment in lieu of individual social security and housing provident fund	10,259,524.80	5,834,173.44
Others	4,213,008.25	5,085,465.43
Total	490,095,738.31	499,749,745.29

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Lease liabilities due within one year	10,289,191.19	10,254,362.33

28. Other current liabilities

Item	Closing balance	Opening balance
Sales tax to be carried or amortised	24,914,803.93	25,156,215.31

29. Lease liabilities

Item	Closing balance	Opening balance
Lease liabilities	4,198,099.01	14,358,033.40

30. Share capital

Item	Opening balance	Issuance of new shares	Share grant	Change for the year (+, -)			Subtotal	Closing balance
				Surplus reserve converted to shares	Others			
Total number of shares	376,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	376,000,000.00

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Capital reserve

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Equity premium	906,045,603.32	1,108,920.18	0.00	907,154,523.50
Other capital reserve	78,584,601.78	0.00	0.00	78,584,601.78
Total	984,630,205.10	1,108,920.18	0.00	985,739,125.28

Note: The Company acquired equity interests from minority shareholders of its controlled subsidiary, resulting in an increase in capital reserve of RMB1,187,267.63. The capital increase and share expansion of the Company's wholly-owned subsidiary changed it to a controlled subsidiary, resulting in a decrease in capital reserve of RMB78,347.45. The above two items resulted in a total increase in capital reserve of RMB1,108,920.18.

32. Surplus reserve

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	104,634,931.96	6,414,052.28	0.00	111,048,984.24

33. Undistributed profit

Item	Current year	Prior year for the year
Undistributed profits at the end of the prior year before adjustment	722,746,436.87	616,817,866.41
Adjustments to total opening undistributed profits	0.00	0.00
Including: Change in scope of combinations under common control	0.00	0.00
Undistributed profits at the beginning of the year after adjustment	722,746,436.87	616,817,866.41
Add: Net profit attributable to owners of the parent company	112,608,615.45	113,814,240.93
Less: Withdrawal of statutory surplus reserves	6,414,052.28	7,885,670.47
Dividends payable on ordinary shares	0.00	0.00
Other	0.00	0.00
Closing balance of current year	828,941,000.04	722,746,436.87

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Operating revenue & operating cost

(1) Operating revenue & operating cost

Item	Current year amount		Prior year amount	
	Revenue	Cost	Revenue	Cost
Main operations	1,908,023,434.86	1,502,284,950.23	1,941,486,978.34	1,531,411,817.88
Other operations	4,935,455.19	2,593,967.51	15,444,795.22	9,821,094.09
Total	1,912,958,890.05	1,504,878,917.74	1,956,931,773.56	1,541,232,911.97

(2) Breakdown of operating revenues and operating costs

Classification of contracts	Current year amount		Prior year amount	
	Operating Revenue	Operating Cost	Operating Revenue	Operating Cost
Business Type	-	-	-	-
Including: Community services	1,442,751,863.24	1,165,438,933.11	1,438,280,002.44	1,151,190,720.65
Commercial services	53,908,987.05	44,324,950.50	46,634,701.24	39,089,102.87
Urban services	215,587,628.94	161,764,082.73	187,082,515.95	156,930,785.85
Peripheral services	200,710,410.82	133,350,951.40	284,934,553.93	194,022,302.60
Total	1,912,958,890.05	1,504,878,917.74	1,956,931,773.56	1,541,232,911.97
By region of operation	-	-	-	-
Including: Mainland China	1,912,958,890.05	1,504,878,917.74	1,956,931,773.56	1,541,232,911.97
Classification by time of transfer of goods	-	-	-	-
Including: Transfer at a point in time	123,959,149.57	120,391,949.24	170,240,804.70	154,846,144.17
Transfer within a certain period of time	1,788,999,740.48	1,384,486,968.50	1,786,690,968.86	1,386,386,767.80
Total	1,912,958,890.05	1,504,878,917.74	1,956,931,773.56	1,541,232,911.97

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. Taxes and surcharges

Item	Current year amount	Prior year amount
Urban construction tax	3,905,182.98	4,298,426.21
Education fee surcharge	1,809,194.03	1,935,082.63
Local education fee surcharge	1,126,350.53	1,218,574.14
Property tax	1,442,608.81	1,699,936.02
Stamp duty	640,590.44	359,765.53
Land use tax	267,332.74	390,169.82
Resource tax	106,292.02	153,061.26
Water conservancy fund	119,056.48	127,305.96
Vehicle and boat use tax	104,744.32	117,270.98
Environmental protection tax	0.00	1,499.33
Others	9,183.02	261.97
Total	9,530,535.37	10,301,353.85

36. Selling expenses

Item	Current year amount	Prior year amount
Employee benefits	4,771,506.80	3,525,676.71
Entertainment expenses	979,655.89	1,246,257.20
Travel expenses	704,392.15	809,685.44
Agency consultancy fees	482,545.91	925,149.01
Depreciation of fixed assets	18,897.40	27,452.58
Amortisation of intangible assets	0.00	566.60
Others	407,764.24	679,324.43
Total	7,364,762.39	7,214,111.97

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Administrative expenses

Item	Current year amount	Prior year amount
Employee benefits	64,070,394.68	74,368,708.41
Entertainment expenses	14,022,243.21	13,102,436.85
Agency service fee	9,689,903.67	11,282,951.99
Depreciation and amortisation	5,432,881.78	5,578,893.62
Disability employment guarantee fund	3,994,147.77	4,589,911.54
Office expenses	3,504,192.66	2,517,599.04
Auditor's fees	2,000,000.00	2,000,000.00
Others	1,897,138.35	2,684,480.58
Travel expenses	1,642,849.81	2,010,313.29
Transport costs	1,106,047.79	1,139,206.16
Total	107,359,799.72	119,274,501.48

38. Financial expenses

Item	Current year amount	Prior year amount
Interest charges	749,656.11	936,763.44
Less: Interest income	422,193.05	2,859,787.14
Add: Loss on exchange	23,494.60	-506,333.44
Other expenditures	4,731,907.18	4,635,328.23
Total	5,082,864.84	2,205,971.09

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Other income

Sources of other income	Current year amount	Prior year amount
VAT and additional tax credits	2,155,649.27	2,361,696.90
Government grants	1,524,386.53	1,608,481.62
VAT and additional tax refunds	1,194.50	52,105.85
Personal tax handling fee refunds	66,237.30	72,559.56
Refund of trade union funds	50.14	3,105.83
Total	3,747,517.74	4,097,949.76

40. Investment income

Item	Current year amount	Prior year amount
Income from long-term equity investments accounted for under the equity method	-6,450,546.45	-429,777.32
Investment income from disposal of long-term equity investments	-2,128.71	116,872.48
Gain from debt restructuring	-10,848,265.27	0.00
Total	-17,300,940.43	-312,904.84

41. Income from changes in fair value

Source of income from change in fair value	Current year amount	Prior year amount
Investment properties measured at fair value	-800,426.04	-190,832.64

42. Loss on impairment of credit

Item	Current year amount	Prior year amount
Bad debt losses on notes receivable	-43,916.63	0.00
Bad debt losses on accounts receivable	-32,100,866.99	-107,920,751.48
Bad debt losses on other receivables	-44,977,372.84	-23,328,253.29
Total	-77,122,156.46	-131,249,004.77

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. Impairment losses on assets

Item	Current year amount	Prior year amount
Impairment loss on inventory	-20,426,363.17	0.00
Impairment loss on contractual assets	-609,069.72	186,898.60
	-21,035,432.89	186,898.60

44. Income from disposal of assets

Item	Current year amount	Prior year amount
Gains on disposal of fixed assets	47,947.65	-506,208.27

45. Non-operating income

Item	Current year amount	Prior year amount	Amount recorded in non-recurring gains and losses during the year
Business combination not under common control	0.00	3,106,732.47	0.00
Gain on retirement of non-current assets	39,480.17	47,607.80	39,480.17
Default payments	131,799.02	49,607.57	131,799.02
Forfeiture income	200.00	59,220.93	200.00
Long-term income	5,157.60	3,463.74	5,157.60
Others	767,015.97	629,087.98	767,015.97
Total	943,652.76	3,895,720.49	943,652.76

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

46. Non-operating expenses

Item	Current year amount	Prior year amount	Amount recorded in non-recurring gains and losses during the year
Compensation payments	3,729,785.42	1,827,139.66	3,729,785.42
Tax penalty and late payment fees	2,847,124.98	1,319,782.36	2,847,124.98
Forfeiture expenses	102,272.23	855,646.93	102,272.23
Losses on retirement of non-current assets	629,171.02	256,113.58	629,171.02
Donations	468,244.00	10,500.00	468,244.00
Others	1,102,145.13	1,469,378.19	1,102,145.13
Total	8,878,742.78	5,738,560.72	8,878,742.78

47. Income tax expenses

(1) Income tax expenses

Item	Current year amount	Prior year amount
Current income tax calculated in accordance with the tax laws and relevant regulations	61,795,707.51	66,110,883.11
Corporate income taxes in Mainland of China	61,795,707.51	66,110,883.11
Deferred income tax expenses	-24,467,880.56	-35,306,706.83
Total	37,327,826.95	30,804,176.28

(2) Adjustment to accounting profits and income tax expenses

Item	Current year amount
Total consolidated profit for the year	158,343,429.54
Income tax expense calculated at the statutory/applicable tax rate	34,536,729.69
Effect of different tax rates applied to subsidiaries	277,099.53
Effect of adjustment to income tax of prior period	-1,071,789.82
Effect of non-taxable income	2,394,593.85
Effect of non-deductible costs, expenses and losses	1,191,193.70
Income tax expenses	37,327,826.95

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. Items in cash flow statement

(1) Cash related to operating activities

1) Other cash received related to operating activities

Item	Current year amount	Prior year amount
Received cash from agency parking spaces performance deposits	0.00	63,349,283.00
Current payments	74,885,832.25	35,382,232.39
Government grants	1,457,322.78	1,608,481.62
Cash income from interest income	2,640,919.86	11,975,783.31
Cash received from non-operating income	1,909,207.46	741,380.22
Release of frozen funds from banks	21,284,285.96	10,386,893.07
Personal tax handling fee refunds	59,478.50	72,559.56
Refund of trade union funds	0.00	3,105.83
Total	102,237,046.81	123,519,719.00

2) Other cash paid related to operating activities

Item	Current year amount	Prior year amount
Current payments	127,729,193.30	108,349,265.80
Selling expenses, cash out expenses in administrative expenses	28,675,026.35	43,274,993.29
Bank charges	4,727,691.83	4,635,328.23
Cash paid in non-operating expenses	8,336,894.74	6,712,330.81
Funds frozen in banks	12,049,763.73	20,944,595.72
Total	181,518,569.95	183,916,513.85

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. Items in cash flow statement (continued)

(2) Cash related to investment activities

1) Cash received related to other investment activities

Item	Current year amount	Prior year amount
Net cash on books and cash payments of subsidiaries at the date of purchase	866,842.55	0.00

(3) Cash relating to financing activities

1) Other cash paid related to financing activities

Item	Current year amount	Prior year amount
Payment of principal and interest on lease liabilities	10,111,125.69	1,413,500.00
Deregistration of subsidiaries, repayment to minority shareholders	0.00	441,000.00
Total	10,111,125.69	1,854,500.00

2) Changes in various liabilities arising from financing activities

Item	Opening balance	Increase during the year		Decrease during the year		Closing balance
		Change in cash	Non-cash Change	Change in cash	Non-cash Change	
Short-term borrowings	3,000,000.00	0.00	0.00	0.00	0.00	3,000,000.00
Dividends payable	7,270.63	0.00	0.00	0.00	0.00	7,270.63
Lease liabilities	14,358,033.40	0.00	0.00	10,111,125.69	48,808.70	4,198,099.01
Non-current liabilities due within one year	10,254,362.33	0.00	34,828.86	0.00	0.00	10,289,191.19
Total	27,619,666.36	0.00	34,828.86	10,111,125.69	48,808.70	17,494,560.83

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

49. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Item	Current year amount	Prior year amount
1. Reconciliation of net profits to cash flows from operating activities:	-	-
Net profits	121,015,602.59	116,081,804.53
Add: Provision for asset impairment	21,035,432.89	-186,898.60
Loss on impairment of credit	77,122,156.46	131,249,004.77
Depreciation of fixed assets, oil and gas assets, and productive biological assets	10,162,486.35	10,390,609.83
Depreciation of right-of-use assets	8,451,570.68	9,667,527.97
Amortisation of intangible assets	1,799,403.26	2,463,533.50
Amortization of long-term deferred expenses	8,486,922.42	5,366,044.75
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain indicated with "-")	-47,947.65	506,208.27
Loss on scrapping of fixed assets (gain indicated with "-")	-608,518.17	208,505.78
Loss from changes in fair value (gain indicated with "-")	800,426.04	190,832.64
Finance costs (gain indicated with "-")	773,150.71	430,430.00
Investment loss (gain indicated with "-")	17,300,940.43	312,904.84
Decrease in deferred tax assets (increase indicated with "-")	-21,552,078.20	-38,164,401.96
Increase in deferred tax liabilities (decrease indicated with "-")	-2,915,802.36	2,857,695.13
Decrease in inventories (increase indicated with "-")	-422,872,049.82	-284,379,934.74
Decrease in operating receivables (increase indicated with "-")	-157,166,972.69	59,975,444.19
Increase in operating payables (decrease indicated with "-")	306,082,534.74	-48,386,873.53
Other (share-based payments, changes in restricted funds and gain on business combination not under common control)	9,234,522.23	-13,664,435.12
Net cash flow from operating activities	-22,898,220.09	-45,081,997.75
2. Significant non-cash investing and financing activities:	0.00	0.00
Conversion of debt into capital	0.00	0.00
Convertible corporate bonds due within one year	0.00	0.00
Fixed assets leased-in under Finance Lease	0.00	0.00
3. Net changes in cash and cash equivalents:	-	-
Closing balance of cash	508,741,297.89	553,714,640.46
Less: opening balance of cash	553,714,640.46	659,310,214.32
Add: closing balance of cash equivalents	0.00	0.00
Less: opening balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	-44,973,342.57	-105,595,573.86

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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

49. Supplementary information to the cash flow statement (continued)

(2) Net cash paid during the year for acquisition of subsidiaries

Item	Amount
Cash or cash equivalents paid during the period for business combinations occurred during the year	7,000.00
Including: Huizhou Zhaofengnian Engineering Co., Ltd.	7,000.00
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	873,842.55
Including: Huizhou Zhaofengnian Engineering Co., Ltd.	73,819.48
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	800,023.07
Net cash paid for acquisition of subsidiaries	-866,842.55

(3) Components of cash and cash equivalents

Item	Closing balance	Opening balance
Cash	508,741,297.89	553,714,640.46
Including: cash on hand	0.00	1,085.00
Bank deposits available for payment at any time	508,211,868.32	138,568,475.67
Other monetary funds available for payment at any time	529,429.57	415,145,079.79
Closing balance of cash and cash equivalents	508,741,297.89	553,714,640.46

(4) Monetary funds not classified as cash and cash equivalents

Item	Current year amount	Prior year amount	Reasons for not being classified as cash and cash equivalents
Monetary funds	20,646,084.91	29,880,607.14	Capital Freeze, Security Deposit

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. Monetary Items in Foreign Currency

Item	Closing balance in foreign currencies	Exchange rate	Closing balance converted into RMB
Monetary funds	1,822,772.68	0.90322	1,646,364.75
Including: Hong Kong dollars	1,822,772.68	0.90322	1,646,364.75

51. Lease

(1) The Group as lessee

Item	Current year amount	Prior year amount
Interest expense on lease liabilities	518,231.24	852,965.00
Short-term lease charges recognised in current profit or loss using the simplified approach	2,755,612.64	2,831,486.23
Lease charges for low-value assets (other than short-term leases) recognised in current profit or loss using the simplified treatment	271,785.16	571,813.20
Total cash outflows related to leases	3,545,629.04	4,816,799.43

(2) The Group as lessor

Item	Rental income	Including: income related to variable lease payments not included in lease receipts
Housing rental	5,091,304.80	0.00
Parking space rental	11,341,189.91	0.00
Total	16,432,494.71	0.00

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VI CHANGES IN SCOPE OF CONSOLIDATION

1. Business combinations not under common control

(1) Business combinations not under common control that occurred during the year

Name of acquiree	Time of acquisition of equity	Cost of acquisition of equity	Percentage of equity acquired (%)	Means of acquisition	Date of Acquisition	Basis for determining the date of acquisition	Financial information of the acquiree from the date of acquisition to year-end		
							Revenue	Net profits	Cash flow
Huizhou Zhaofengnian Engineering Co., Ltd.	2025-02-28	7,000.00	70.00	Cash	2025-02-28	Application Guidance No. 2 for ASBE No. 20 – Business Combinations: Basis for determining the consolidation or acquisition date	8,817,551.81	2,373,879.75	8,652.77
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	2025-10-31	-	50.00	Cash	2025-10-31	Application Guidance No. 2 for ASBE No. 20 – Business Combinations: Basis for determining the consolidation or acquisition date	987,084.09	-203,597.46	441,989.86

(2) Consolidation costs and goodwill

Item	Huizhou Zhaofengnian Engineering Co., Ltd.	Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.
Cash	7,000.00	-
Total combination costs	0.00	2,166,704.91
Fair value of equity held prior to the acquisition date on the Acquisition Date	7,000.00	2,166,704.91
Less: share of fair value of identifiable net assets acquired	-2,147,017.43	2,166,704.91
Amount by which goodwill/consolidation cost is less than the fair value of the share of identifiable net assets acquired	2,154,017.43	0.00

VI CHANGES IN SCOPE OF CONSOLIDATION (continued)**1. Business combinations not under common control** (continued)**(3) Identifiable assets and liabilities of the acquiree at the date of acquisition**

Item	Huizhou Zhaofengnian Engineering Co., Ltd.		Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	
	Date of Acquisition Fair value	Date of Acquisition Book value	Date of Acquisition Fair value	Date of Acquisition Book value
Assets:	–	–	–	–
Monetary funds	73,819.48	73,819.48	800,023.07	800,023.07
Receivables	1,807,830.53	1,807,830.53	4,750,532.25	4,750,532.25
Prepayments	70,431.13	70,431.13	0.00	0.00
Other receivables	399,581.58	399,581.58	7,372.70	7,372.70
Inventories	0.00	0.00	20,944.05	20,944.05
Fixed assets	217,842.10	217,842.10	107,767.88	107,767.88
Intangible assets	12,779.28	12,779.28	0.00	0.00
Liabilities:	–	–	–	–
Accounts payable	0.00	0.00	1,002,652.78	1,002,652.78
Employee benefits payable	0.00	0.00	134,460.00	134,460.00
Taxes payable	0.00	0.00	109,552.35	109,552.35
Other payables	5,649,451.86	5,649,451.86	106,565.00	106,565.00
Net assets	-3,067,167.76	-3,067,167.76	4,333,409.82	4,333,409.82
Less: Minority interests	0.00	0.00	0.00	0.00
Net assets acquired	-3,067,167.76	-3,067,167.76	4,333,409.82	4,333,409.82

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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

2. Changes in scope of consolidation for other reasons

(1) Newly established

No.	Name of subsidiary	Reason for change	Date of establishment	Place of registration	Shareholding percentage (%)	
					Direct	Indirect
1	Henan Roiserv Property Services Co., Ltd. (河南榮萬家物業服務有限公司)	Newly established	2025/11/28	Henan	100.00	0.00
2	Langfang Rongyue Health Management Service Co., Ltd. (廊坊榮悅健康管理服務有限公司)	Newly established	2025/05/16	Hebei	100.00	0.00
3	Nanjing Shengshang Engineering Service Co., Ltd. (南京盛尚工程服務有限公司)	Newly established	2025/10/13	Jiangsu	0.00	100.00
4	Bayan Nur City Roiserv Property Services Co., Ltd. (巴彥淖爾市榮萬嘉物業服務有限公司)	Newly established	2025/07/09	Inner Mongolia	0.00	100.00
5	Hainan Rongzhijia Lifestyle Service Co., Ltd. (海南榮之家生活服務有限公司)	Newly established	2025/12/29	Hainan	0.00	100.00
6	Nanjing Tonghui Trading Co., Ltd. (南京彤惠商貿有限公司)	Newly established	2025/10/13	Jiangsu	0.00	100.00
7	Roiserv (Cangzhou) Property Management Co., Ltd. (榮萬家(滄州)物業管理有限公司)	Newly established	2025/07/11	Hebei	0.00	100.00
8	Tianjin Jinxiang Property Development Co., Ltd. (天津金項物業發展有限責任公司)	Newly established	2025/12/30	Tianjin	0.00	80.00
9	Nanjing Jinxiang Property Development Co., Ltd. (南京金項物業發展有限責任公司)	Newly established	2025/12/29	Jiangsu	0.00	80.00
10	Huaihua Rong'an Property Services Co., Ltd. (懷化榮安物業服務有限公司)	Newly established	2025/06/19	Hunan	70.00	0.00
11	Dushang Environmental Sanitation Management (Bei'an) Co., Ltd. (都尚環境衛生管理(北安)有限公司)	Newly established	2025/11/04	Heilongjiang	0.00	70.00

(2) Merger and acquisition

No.	Name of subsidiary	Reason for change	Nature of business	Place of registration	Shareholding percentage (%)	
					Direct	Indirect
1	Huizhou Zhaofengnian Engineering Co., Ltd. (惠州市兆豐年工程有限公司)	Merger and acquisition	Construction	Guangdong	70.00	0.00
2	Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	Merger and acquisition	Property management services	Anhui	50.00	0.00

VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

2. Changes in scope of consolidation for other reasons (continued)

(3) Cancellation

No.	Name of subsidiary	Reason for change	Date of cancellation	Place of registration	Shareholding percentage (%)	
					Direct	Indirect
1	Beijing Manbeilun Cosmetics Co., Ltd.	Cancellation	2025/6/23	Beijing	100.00	0.00
2	Hefei Roiserv Lifestyle Service Co., Ltd.	Cancellation	2025/6/17	Anhui	0.00	100.00
3	Rongyikang (Beijing) Life Technology Co., Ltd.	Cancellation	2025/6/11	Beijing	100.00	0.00
4	Huazao (Beijing) Management Consulting Co., Ltd.	Cancellation	2025/6/16	Beijing	0.00	95.00
5	Jiaxing Rongjia Lifestyle Service Co., Ltd.	Cancellation	2025/6/25	Zhejiang	0.00	100.00
6	Langfang Gangwan Landscape Engineering Co., Ltd.	Cancellation	2025/6/28	Hebei	0.00	100.00
7	Linyi Rongshang Technology Engineering Co., Ltd.	Cancellation	2025/6/22	Shandong	0.00	100.00
8	Huizhou Rongli Trading Co., Ltd.	Cancellation	2025/6/12	Guangdong	0.00	100.00
9	Langfang Weipai Door and Window Installation Co., Ltd.	Cancellation	2025/6/21	Hebei	0.00	51.00
10	Langfang Zhennuo Doors and Windows Co., Ltd.	Cancellation	2025/6/22	Hebei	0.00	51.00
11	Hengshui Rongyue Lifestyle Service Co., Ltd.	Cancellation	2025/6/9	Hebei	0.00	100.00
12	Gangzhou Rongjing Property Management Co., Ltd.	Cancellation	2025/6/29	Hebei	0.00	60.00
13	Vogue Living and Living Service (Chuzhou) Co., Ltd.	Cancellation	2025/6/11	Anhui	0.00	77.00
14	Qinhuangdao Ronghai Hotel Management Co., Ltd.	Cancellation	2025/6/12	Hebei	0.00	77.00
15	Beijing Rongyang Wanjia Management Consulting Co., Ltd.	Cancellation	2025/6/26	Beijing	70.00	0.00
16	Liaocheng Rongchen Design & Decoration Co., Ltd.	Cancellation	2025/6/7	Shandong	0.00	100.00
17	Huizhou Ronghe Trading Co., Ltd.	Cancellation	2025/6/12	Guangdong	0.00	100.00

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VII INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Handan Rongmiao Property Management Co., Ltd.	50.50	Hebei	Hebei	Property management services	100.00	0.00	Investment
Zhangjiakou Rongguanyue Property Management Co., Ltd.	2.00	Hebei	Hebei	Property management services	100.00	0.00	Investment
Shanxi Roiserv Lifestyle Service Co., Ltd.	202.00	Shanxi	Shanxi	Property management services	100.00	0.00	Investment
Liuzhi Special District Roiserv Life Service Co., Ltd.	50.51	Guizhou	Guizhou	Property management services	100.00	0.00	Investment
Roiserv (Beijing) Technology Services Co., Ltd.	1,010.10	Beijing	Beijing	Technical service	100.00	0.00	Investment
Cangzhou Rongguang Construction Engineering Co., Ltd.	101.01	Hebei	Hebei	Engineering services	100.00	0.00	Investment
Changzhou Rongyijia Real Estate Agency Service Co., Ltd.	10.10	Jiangsu	Jiangsu	Real estate agency services	100.00	0.00	Investment
Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	101.00	Hebei	Hebei	Real estate agency services	100.00	0.00	Investment
Hohhot RiseSun Property Service Co., Ltd.	505.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Property management services	100.00	0.00	Investment
Roiserv (Beijing) Property Services Co., Ltd.	100.00	Beijing	Beijing	Property management services	99.00	0.00	Investment
Yongqing Jingtai Property Service Co., Ltd.	101.00	Hebei	Hebei	Property management services	99.01	0.00	Merger and acquisition
Shijiazhuang Shengjing Fitness Service Co., Ltd.	10.10	Hebei	Hebei	Fitness services	100.00	0.00	Merger and acquisition
Zhangjiakou Rongmeng Property Management Co., Ltd.	2.00	Hebei	Hebei	Property management services	100.00	0.00	Investment
Jinan Rongtong Real Estate Brokerage Co., Ltd.	50.00	Shandong	Shandong	Real estate agency services	100.00	0.00	Investment
Tangshan Fengnan District Pujie Property Service Co., Ltd.	50.00	Hebei	Hebei	Property management services	100.00	0.00	Merger and acquisition
Baoding Rongrun Property Service Co., Ltd.	50.00	Hebei	Hebei	Property management services	51.00	0.00	Investment
Cangzhou Rongzhi Property Service Co., Ltd.	300.00	Hebei	Hebei	Property management services	51.00	0.00	Investment
Zhangjiakou Rongmiaocheng Property Management Co., Ltd.	300.00	Hebei	Hebei	Property management services	51.00	0.00	Investment

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	1,000.00	Hebei	Hebei	Other power engineering construction	40.00	0.00	Investment
Roiserv (Anhui) Lifestyle Service Co., Ltd.	50.10	Anhui	Anhui	Property management services	100.00	0.00	Investment
Bengbu Rongjia Trading Co., Ltd.	30.10	Anhui	Anhui	Property management services	0.00	100.00	Investment
Bengbu Rongshang Technology Service Co., Ltd.	30.10	Anhui	Anhui	Technical service	0.00	100.00	Investment
Henan Roiserv Lifestyle Service Co., Ltd.	100.00	Henan	Henan	Property management services	100.00	0.00	Investment
Nanjing Liuhe RiseSun Property Service Co., Ltd.	300.00	Jiangsu	Jiangsu	Property management services	100.00	0.00	Investment
Nanjing Rongzhi Home Technology Co., Ltd.	30.30	Jiangsu	Jiangsu	Technical service	0.00	100.00	Investment
Nantong Rongtu Property Management Co., Ltd.	10.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Investment
Nanjing Handu Technology Industry Co., Ltd.	200.00	Jiangsu	Jiangsu	Elevator maintenance services	0.00	100.00	Merger and acquisition
Nanjing Shengtou Automobile Service Co., Ltd.	10.10	Jiangsu	Jiangsu	Car maintenance services	0.00	100.00	Investment
Yixing Roiserv Property Management Co., Ltd.	10.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Investment
Changzhou Roiserv Lifestyle Service Co., Ltd.	10.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Investment
Roiserv (Tangshan) Lifestyle Service Co., Ltd.	125.00	Hebei	Hebei	Resident daily life services	100.00	0.00	Investment
Tangshan Ronghui Lifestyle Service Co., Ltd.	50.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Tangshan Rongjing Lifestyle Service Co., Ltd.	50.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Tangshan Jufeng Decoration Engineering Co., Ltd.	62.50	Hebei	Hebei	Engineering services	0.00	100.00	Investment
Roiserv (Hengshui) Lifestyle Service Co., Ltd.	50.51	Hebei	Hebei	Resident daily life services	100.00	0.00	Investment
Hangzhou Rongjia Lifestyle Service Co., Ltd.	30.00	Zhejiang	Zhejiang	Resident daily life services	100.00	0.00	Investment

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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Suzhou Rongjia Lifestyle Service Co., Ltd.	10.00	Jiangsu	Jiangsu	Resident daily life services	0.00	100.00	Investment
Zhangjiakou RiseSun Jingxuan Property Services Co., Ltd.	100.00	Hebei	Hebei	Property management services	100.00	0.00	Merger and acquisition
Tianjin Rongshang Technology Co., Ltd.	3,030.30	Tianjin	Tianjin	Technical service	100.00	0.00	Investment
Langfang Rongshang Technology Co., Ltd.	303.00	Hebei	Hebei	Technical service	0.00	99.01	Investment
Handan Rongna Technology Engineering Co., Ltd.	50.50	Hebei	Hebei	Technical service	0.00	100.00	Investment
Shenyang Rongshang Technology Co., Ltd.	10.00	Liaoning	Shenyang City	Technical service	0.00	100.00	Investment
Tangshan Rongshang Engineering Management Co., Ltd.	625.00	Hebei	Hebei	Engineering services	0.00	100.00	Investment
Hunan Rongmiao Technology Co., Ltd.	50.02	Hunan	Hunan	Engineering services	0.00	100.00	Investment
Guangdong Rongshang Technology Co., Ltd.	510.00	Guangdong	Guangdong	Technical service	0.00	100.00	Investment
Zhangjiakou Rongshang Technology Service Co., Ltd.	50.50	Hebei	Hebei	Engineering services	0.00	99.01	Investment
Chengdu Rongzhishang Technology Co., Ltd.	10.10	Sichuan	Sichuan	Technical service	0.00	100.00	Investment
Shijiazhuang Rongmiao Technology Co., Ltd.	10.00	Hebei	Hebei	Technical service	0.00	100.00	Investment
Jiaxing Rongshang Engineering Technology Co., Ltd.	5.05	Zhejiang	Zhejiang	Technical service	0.00	100.00	Investment
Bengbu Rongshang Technology Co., Ltd.	10.10	Anhui	Bengbu City	Technical service	0.00	100.00	Investment
Nanjing Rongzhishang Technology Co., Ltd.	5.05	Jiangsu	Nanjing City	Technical service	0.00	100.00	Investment
Xuzhou Rongzhishang Technology Co., Ltd.	10.10	Jiangsu	Jiangsu	Technical service	0.00	100.00	Investment
Langfang Rongxin Real Estate Brokerage Co., Ltd.	303.03	Hebei	Hebei	Real estate agency services	100.00	0.00	Investment
Shenyang Rongxu Real Estate Agents Co., Ltd.	50.10	Liaoning	Liaoning	Property management services	0.00	100.00	Investment
Roiserv (Shijiazhuang) Property Service Co., Ltd.	50.00	Hebei	Hebei	Property management services	100.00	0.00	Investment

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Baoding Roiserv Lifestyle Service Co., Ltd.	10.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Xingtai Roiserv Property Management Co., Ltd.	10.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Langfang Rongzhen Trading Co., Ltd.	1,313.13	Hebei	Hebei	Commodity sales	100.00	0.00	Investment
Bengbu Rongchang Trading Co., Ltd.	50.10	Anhui	Anhui	Commodity sales	0.00	99.80	Investment
Yixing Rongmiao Department Store Trading Co., Ltd.	10.10	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Zhengzhou Shenshuo Trading Co., Ltd.	100.10	Henan	Henan	Commodity sales	0.00	100.00	Investment
Shijiazhuang Rongmi Trading Co., Ltd.	30.30	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Nanjing Rongling Trading Co., Ltd.	10.10	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Yueyang Rongyue Department Store Trading Co., Ltd.	50.06	Hunan	Hunan	Commodity sales	0.00	100.00	Investment
Zhanjiang Shengxu Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Nanjing Rongshe Trading Co., Ltd.	10.10	Jiangsu	Nanjing City	Commodity sales	0.00	100.00	Investment
Shenyang Rongguan Trading Co., Ltd.	300.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Rongkun Trading Co., Ltd.	50.10	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Linyi Ronghui Trading Co., Ltd.	50.10	Shandong	Shandong	Commodity sales	0.00	100.00	Investment
Shijiazhuang Rongdi Trading Co., Ltd.	30.30	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Xuzhou Rongrun Trading Co., Ltd.	50.10	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Zhanjiang Shengjing Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Chongqing Rongzhiguan Trading Co., Ltd.	50.50	Chongqing	Chongqing	Commodity sales	0.00	100.00	Investment
Zhanjiang Shengyi Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Langfang Rongrong Trading Co., Ltd.	10.10	Hebei	Hebei	Commodity sales	0.00	99.01	Investment
Zhanjiang Rongsheng Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment

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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Shijiazhuang Rongyu Trading Co., Ltd.	101.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Changzhou Zhenmiao Department Store Trading Co., Ltd.	10.10	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Nanjing Ronghui Trading Co., Ltd.	50.50	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Shenyang Rongxin Trading Co., Ltd.	50.10	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Langfang Rongba Trading Co., Ltd.	50.50	Hebei	Hebei	Commodity sales	0.00	99.01	Investment
Zhangjiakou Rongyiheng Trading Co., Ltd.	10.10	Hebei	Hebei	Commodity sales	0.00	99.01	Investment
Changsha Rongdou Catering Service Co., Ltd.	50.10	Hunan	Hunan	Catering services	0.00	100.00	Investment
Shijiazhuang Rongxu Trading Co., Ltd.	50.50	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Shenyang Rongyue Trading Co., Ltd.	100.10	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Rongyu Trading Co., Ltd.	10.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Huizhou Rongzhen Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Changsha Sanfen Liangtian Real Estate Brokerage Co., Ltd.	8.05	Hunan	Hunan	Real estate agency services	0.00	100.00	Investment
Shijiazhuang Rongci Trading Co., Ltd.	50.50	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Zhanjiang Ronghan Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Chengdu Rongchao Trading Co., Ltd.	50.50	Sichuan	Sichuan	Commodity sales	0.00	100.00	Investment
Xianghe Rongkun Trading Co., Ltd.	50.50	Hebei	Hebei	Commodity sales	0.00	99.01	Investment
Langfang Duona Trading Co., Ltd.	15.15	Hebei	Hebei	Commodity sales	0.00	99.01	Investment
Roiserv (Xuzhou) Lifestyle Service Co., Ltd.	10.10	Jiangsu	Jiangsu	Resident daily life services	100.00	0.00	Investment
Xuzhou Rongzhiyi Technology Co., Ltd.	10.10	Jiangsu	Jiangsu	Technical service	0.00	100.00	Investment
Linyi Rongjia Lifestyle Service Co., Ltd.	50.10	Shandong	Linyi City	Resident daily life services	0.00	100.00	Investment
Xuzhou Quanrong Lifestyle Services Co., Ltd.	50.10	Jiangsu	Jiangsu	Resident daily life services	0.00	100.00	Investment

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Tianjin Roiserv Lifestyle Service Co., Ltd.	303.03	Tianjin	Tianjin	Property management services	100.00	0.00	Investment
Binzhou Roiserv Lifestyle Service Co., Ltd.	50.51	Shandong	Shandong	Resident daily life services	0.00	100.00	Investment
Cangzhou Rongqian Property Service Co., Ltd.	50.51	Hebei	Cangzhou City	Property management services	0.00	100.00	Investment
Roiserv (Guangdong) Lifestyle Service Co., Ltd.	500.00	Guangdong	Guangdong	Resident daily life services	100.00	0.00	Investment
Yangjiang Shengshang Technology Co., Ltd.	55.00	Guangdong	Guangdong	Engineering services	0.00	100.00	Investment
Zhanjiang Ronghui Automotive Beauty Co., Ltd.	50.00	Guangdong	Guangdong	Car maintenance services	0.00	100.00	Investment
Yangxi County Property Rongyuwan Owners' Home Catering Service Co., Ltd.	55.00	Guangdong	Guangdong	Catering services	0.00	100.00	Investment
Yangxi County Shanhu Sea Owner's Home Catering Service Co., Ltd.	55.00	Guangdong	Guangdong	Catering services	0.00	100.00	Investment
Zhanjiang Shengli Elevator Co., Ltd.	15.00	Guangdong	Guangdong	Technical service	0.00	100.00	Investment
Zhanjiang Owner's Home Catering Service Co., Ltd.	55.00	Guangdong	Guangdong	Catering services	0.00	100.00	Investment
Zhanjiang Jitianwa Real Estate Brokerage Service Co., Ltd.	50.00	Guangdong	Guangdong	Real estate agency services	0.00	100.00	Investment
Yangjiang Shengshang Decoration Engineering Co., Ltd.	55.00	Guangdong	Guangdong	Engineering services	0.00	100.00	Investment
Zhanjiang Zhencifang Huashi Engineering Co., Ltd.	55.00	Guangdong	Guangdong	Engineering services	0.00	100.00	Investment
Roiserv (Hunan) Lifestyle Service Co., Ltd.	50.00	Hunan	Hunan	Resident daily life services	100.00	0.00	Investment
Roiserv (Langfang) Lifestyle Service Co., Ltd.	1.01	Hebei	Hebei	Resident daily life services	99.01	0.00	Investment
Xianghe Rongliang Property Management Co., Ltd.	1.01	Hebei	Hebei	Property management services	0.00	99.01	Investment
Bazhou Ronghao Property Management Co., Ltd.	1.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Langfang Guangyang Rongjia Life Service Co., Ltd.	1.01	Hebei	Hebei	Resident daily life services	0.00	99.01	Investment
Langfang Anci District Rongzhi Life Service Co., Ltd.	1.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment

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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Sanhe Rongyi Lifestyle Service Co., Ltd.	1.01	Hebei	Hebei	Resident daily life services	0.00	99.01	Investment
Roiserv (Shandong) Property Development Co., Ltd.	500.10	Shandong	Shandong	Property management services	100.00	0.00	Investment
Liaocheng Rongkun Construction Engineering Co., Ltd.	100.10	Shandong	Shandong	Engineering services	0.00	100.00	Investment
Linqing Pujie Property Services Co., Ltd.	50.10	Shandong	Shandong	Property management services	0.00	100.00	Investment
Liaocheng Roiserv Lifestyle Service Co., Ltd.	50.10	Shandong	Liaocheng City	Resident daily life services	0.00	100.00	Investment
Roiserv (Shenyang) Lifestyle Service Co., Ltd.	500.10	Liaoning	Shenyang City	Resident daily life services	100.00	0.00	Investment
Panjin Roiserv Lifestyle Service Co., Ltd.	500.10	Liaoning	Panjin City	Resident daily life services	0.00	100.00	Investment
Sichuan Roiserv Shengxin Property Service Co., Ltd.	50.50	Sichuan	Sichuan	Property management services	100.00	0.00	Investment
Chongqing Roiserv Lifestyle Service Co., Ltd.	50.00	Chongqing	Chongqing	Resident daily life services	0.00	100.00	Investment
Xi'an Rongjia Shengxin Property Management Co., Ltd.	10.00	Shaanxi	Xi'an City	Property management services	0.00	100.00	Investment
Hebei Jinxiang Property Group Co., Ltd.	5,000.00	Hebei	Hebei	Property management services	80.00	0.00	Merger and acquisition
Langfang Zhenzhi Human Resources Co., Ltd.	200.00	Hebei	Hebei	Social and economic consulting services	0.00	80.00	Merger and acquisition
Langfang Wuyun Dongfang Landscape Engineering Co., Ltd.	200.00	Hebei	Hebei	Engineering services	0.00	80.00	Merger and acquisition
Hebei Bihai Laundry Services Co., Ltd.	300.00	Hebei	Hebei	Resident daily life services	0.00	80.00	Merger and acquisition
Hebei Jincheng Cleaning Services Co., Ltd.	300.00	Hebei	Hebei	Resident daily life services	0.00	80.00	Merger and acquisition
Shengxing Lvju Living Service (Hebei) Co., Ltd.	500.00	Hebei	Hebei	Resident daily life services	77.00	0.00	Merger and acquisition
Qinhuangdao Shengxing Haorui Property Management Co., Ltd.	50.50	Hebei	Hebei	Property management services	0.00	77.00	Investment
Qinhuangdao Business Co., Ltd.	50.50	Hebei	Hebei	Commodity sales	0.00	77.00	Merger and acquisition
Qinhuangdao Shenglan Hotel Management Co., Ltd.	10.00	Hebei	Hebei	Accommodation and catering industry	0.00	77.00	Investment
Wanjia Smart Environment (Beijing) Co., Ltd.	2,000.00	Beijing	Beijing	Sanitation Management	70.00	0.00	Merger and acquisition
Bei'an Dushang Environmental Development Co., Ltd.	2,000.00	Heilongjiang	Heilongjiang	Sanitation Management	0.00	70.00	Merger and acquisition
RiseSun Anxu Environmental Development (Longhua) Co., Ltd.	2,000.00	Hebei	Hebei	Sanitation Management	0.00	70.00	Merger and acquisition

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Xianghe Wanjia Wisdom Sanitation Management Co., Ltd.	2,000.00	Hebei	Hebei	Sanitation Management	0.00	70.00	Investment
RiseSun Anxu Environmental Development (Xinglong) Co., Ltd.	1,000.00	Hebei	Hebei	Sanitation Management	0.00	70.00	Merger and acquisition
Huanren RiseSun Anxu Environmental Development Co., Ltd.	1,000.00	Liaoning	Liaoning	Sanitation Management	0.00	70.00	Merger and acquisition
Qingan RiseSun Anxu Environmental Development Co., Ltd.	2,000.00	Heilongjiang	Heilongjiang	Sanitation Management	0.00	70.00	Merger and acquisition
Jiangsu Pujie Property Co., Ltd.	500.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Merger and acquisition
Nanjing Puhe Property Services Co., Ltd.	10.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Merger and acquisition
Tangshan Rongjun Trading Co., Ltd.	62.50	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Tangshan Youanmi Catering Service Co., Ltd.	125.00	Hebei	Hebei	Catering services	0.00	100.00	Merger and acquisition
Tangshan Xuantu Automobile Service Co., Ltd.	62.50	Hebei	Hebei	Car maintenance services	0.00	100.00	Merger and acquisition
Hunan Rongkun Trading Co., Ltd.	200.50	Hunan	Hunan	Commodity sales	0.00	100.00	Investment
Shennongjia Forest District Linrong Trading Co., Ltd.	50.20	Hubei	Hubei	Commodity sales	0.00	100.00	Investment
Handan Rongchao Trading Co., Ltd.	202.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Handan Rongyiheng Trading Co., Ltd.	10.10	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongkun Trading Co., Ltd.	50.51	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongsu Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongqi Trading Co., Ltd.	50.51	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongxiu Trading Co., Ltd.	50.51	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongqiao Trading Co., Ltd.	202.02	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongxin Automobile Service Co., Ltd.	50.51	Hebei	Hebei	Car maintenance services	0.00	100.00	Investment
Cangzhou Rongliang Automobile Service Co., Ltd.	50.51	Hebei	Hebei	Car maintenance services	0.00	100.00	Investment
Cangzhou Rongna Trading Co., Ltd.	202.02	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongmai Trading Co., Ltd.	50.51	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongzhe Trading Co., Ltd.	50.51	Hebei	Hebei	Commodity sales	0.00	100.00	Investment

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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Hohhot Rongnian Trading Co., Ltd.	50.50	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Commodity sales	0.00	100.00	Investment
Hohhot Rongmiao Trading Co., Ltd.	50.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Commodity sales	0.00	100.00	Investment
Hohhot Rongzhen Trading Co., Ltd.	50.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Commodity sales	0.00	100.00	Investment
Rongfa Trading Co., Ltd. in Dongchangfu District, Liaocheng City	50.10	Shandong	Shandong	Commodity sales	0.00	100.00	Investment
Dezhou Rongqi Trading Co., Ltd.	50.00	Shandong	Shandong	Commodity sales	0.00	100.00	Investment
Liaocheng Rongjia Design & Decoration Co., Ltd.	50.10	Shandong	Shandong	Engineering services	0.00	100.00	Investment
Jinan Ronghuai Trading Co., Ltd.	50.10	Shandong	Shandong	Commodity sales	0.00	100.00	Merger and acquisition
Liaocheng Rongxu Trade and Sales Co., Ltd.	50.10	Shandong	Shandong	Property management services	0.00	100.00	Investment
Liaocheng Shengkun Trade and Sales Co., Ltd.	10.10	Shandong	Shandong	Car maintenance services	0.00	100.00	Investment
Jinan Shengzhuang Decoration Service Co., Ltd.	50.00	Shandong	Shandong	Engineering services	0.00	100.00	Merger and acquisition
Jinan Rongfa Convenient Life Supermarket Co., Ltd.	50.10	Shandong	Shandong	Commodity sales	0.00	100.00	Merger and acquisition
Liaocheng Guandi Automobile Beauty Maintenance Service Co., Ltd.	10.10	Shandong	Shandong	Car maintenance services	0.00	100.00	Merger and acquisition
Shenyang Ronghua Trading Co., Ltd.	10.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Roiserv Craftsmanship Car Wash and Beauty Co., Ltd.	10.10	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Sujie Car Wash and Beauty Co., Ltd.	10.10	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Ronghe Trading Co., Ltd.	300.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Rongxi Catering Management Co., Ltd.	30.00	Liaoning	Liaoning	Catering services	0.00	100.00	Investment
Handan Rongyuyuan Trading Co., Ltd.	10.10	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Zhanjiang Rongjin Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Zhanjiang Rongli Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Zhanjiang Rongyu Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Jiaxing Rongjun Trading Co., Ltd.	10.10	Zhejiang	Zhejiang	Commodity sales	0.00	100.00	Investment
Jiaxing Rongjun Lifestyle Service Co., Ltd.	10.10	Zhejiang	Zhejiang	Resident daily life services	0.00	100.00	Investment
Ronggao Trading (Jiaxing) Co., Ltd.	10.10	Zhejiang	Zhejiang	Commodity sales	0.00	100.00	Investment
Jiaxing Rongsheng Lifestyle Service Co., Ltd.	30.00	Zhejiang	Zhejiang	Resident daily life services	0.00	100.00	Investment
Beijing Dushan Sanitation Equipment Technology Development Co., Ltd.	1,200.00	Beijing	Beijing	Sanitation Management	70.00	0.00	Merger and acquisition
Nangong Dushan Sanitation Management Co., Ltd.	1,000.00	Hebei	Hebei	Sanitation Management	0.00	70.00	Merger and acquisition
Dushan Sanitation Management (Longhua) Co., Ltd.	500.00	Hebei	Chengde City	Sanitation Management	0.00	70.00	Investment
Baotou Roiserv Property Service Co., Ltd.	101.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Property management services	0.00	100.00	Investment
Hebei Rongyi Property Management Co., Ltd.	300.00	Hebei	Hebei	Property management services	70.00	0.00	Investment
Chongqing Linlin Shiguang Trading Co., Ltd.	35.00	Chongqing	Chongqing	Commodity sales	0.00	67.00	Investment
Rongdou Agricultural Development (Inner Mongolia) Co., Ltd.	50.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Planting of vegetables, edible fungi and horticultural crops	0.00	51.00	Investment
Jinan Rongman Trading Co., Ltd.	30.10	Shandong	Shandong	Commodity sales	0.00	100.00	Investment
Zhanjiang Rongmiao Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Foshan Rongshenghui Trading Co., Ltd.	15.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Yangjiang Shengshang Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Zhanjiang Shengzhen Trading Co., Ltd.	55.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment

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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital (RMB10,000)	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
Wanjia Wisdom Sanitation Management (Xinglong County) Co., Ltd.	500.00	Hebei	Hebei	Sanitation Management	0.00	70.00	Investment
Hebei Zhenhao Security Service Co., Ltd.	3,003.00	Hebei	Hebei	Business services	99.90	0.00	Merger and acquisition
Henan Roiserv Property Service Co., Ltd.	100.00	Henan	Henan	Property management services	100.00	0.00	Investment
Langfang Rongyue Health Management Co., Ltd.	10.10	Hebei	Hebei	Rental and business services	100.00	0.00	Investment
Nanjing Shengshang Engineering Service Co., Ltd.	10.00	Jiangsu	Jiangsu	Residential services, repair and other services	0.00	100.00	Investment
Bayannur Roiserv Property Service Co., Ltd.	50.00	Inner Mongolia	Inner Mongolia	Property management services	0.00	100.00	Investment
Hainan Rongzhijia Lifestyle Service Co., Ltd.	100.00	Hainan	Hainan	Property management services	0.00	100.00	Investment
Nanjing Tonghui Trading Co., Ltd.	10.10	Jiangsu	Jiangsu	Wholesale and retail trade	0.00	100.00	Investment
Roiserv (Cangzhou) Property Management Co., Ltd.	50.51	Hebei	Hebei	Property management services	0.00	100.00	Investment
Tianjin Jinxiang Property Development Co., Ltd.	300.00	Tianjin	Tianjin	Property management services	0.00	80.00	Investment
Nanjing Jinxiang Property Development Co., Ltd.	300.00	Jiangsu	Jiangsu	Property management services	0.00	80.00	Investment
Huizhou Zhaofengnian Engineering Co., Ltd.	500.00	Guangdong	Guangdong	Construction	70.00	0.00	Mergers and acquisitions
Huaihua Rong'an Property Service Co., Ltd.	100.00	Hunan	Hunan	Property management services	70.00	0.00	Investment
Dushan Sanitation Management (Bei'an) Co., Ltd.	2,000.00	Heilongjiang	Heilongjiang	Sanitation Management	0.00	70.00	Investment
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	300.00	Anhui	Anhui	Property management services	50.00	0.00	Mergers and acquisitions

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Note 1: The shareholders of Hebei Rongheng Bosheng Electric Power Engineering Co., Ltd. consist of three parties, with the Company holding 40%, Langfang Chengxing Electric Power Equipment Co., Ltd. holding 39%, and Hebei Kobo Ruicheng Electric Power Engineering Co., Ltd. holding 21%. The Company is the largest shareholder. According to the Company's Articles of Association, resolutions at shareholders' meetings shall be voted for and approved by shareholders representing 40% or more of the voting rights. The Company shall have the right to veto the matters discussed at the shareholders' meetings and no matter shall be passed without its consent; Hebei Rongheng Bosheng does not have a board of directors and has an executive director who is appointed by the Company as a shareholder; Hebei Rongheng Bosheng does not have a supervisory board and has one supervisor who is appointed by the Company as a shareholder. As can be seen from the above, the Company has control over Hebei Rongheng Bosheng Electric Power Engineering Co., Ltd. and is able to dominate the production and operation decisions of equity interests with its equity interests and benefit from its operation activities, which shall be included in the scope of consolidation.

Note 2: Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd. has two shareholders. The Company holds 50% of the equity interests, and Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd. holds the remaining 50%. Pursuant to the articles of association, voting at resolutions of the board of directors shall be adopted on the basis of one vote per director. A meeting of the board of directors may only be held with the attendance of a majority of all directors. Resolutions adopted by the board of directors shall be approved by a majority of all directors. The company has a board of directors consisting of 5 members, of which 3 directors are appointed by the Company. Based on the above, the Company has control over Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd. It can direct the production and operating decisions of Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd. through its equity interests and obtain benefits from its operating activities. Therefore, Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd. shall be included in the scope of consolidation.

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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(2) Significant non-wholly owned subsidiaries

Name of subsidiary	Minority shareholding ratio	Profit or loss for the year attributable to minority shareholders	Dividends declared to minority shareholders during the year	Closing balance of non-controlling interests
Cangzhou Rongzhi Property Service Co., Ltd.	49.00%	9,854.84	0.00	43,800.51
Baoding Rongrun Property Service Co., Ltd.	49.00%	-250,210.49	0.00	-57,521.92
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	49.00%	572,343.53	0.00	3,687,250.45
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	30.00%	220,219.26	0.00	0.00
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	60.00%	-1,488,740.64	0.00	-6,575,709.79
Shengxing Lvju Living Service (Hebei) Co., Ltd.	23.00%	772,178.26	0.00	2,993,893.47
Hebei Jinxiang Property Group Co., Ltd.	20.00%	-746,006.01	0.00	10,622,124.47
Wanjia Smart Environment (Beijing) Co., Ltd.	30.00%	6,094,733.92	0.00	10,678,191.41
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	30.00%	1,630,589.49	0.00	5,079,908.10
Huizhou Zhaofengnian Engineering Co., Ltd.	30.00%	712,163.93	0.00	-207,986.40
Huaihua Rongan Property Services Co., Ltd.	30.00%	57,080.87	0.00	57,080.87
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	50.00%	-101,798.73	0.00	2,064,906.18

VII INTERESTS IN OTHER ENTITIES (continued)**1. Interests in subsidiaries** (continued)**(3) Key financial information on significant non-wholly owned subsidiaries**

Name of subsidiary	Current assets	Non-current assets	Closing balance		Liabilities Total
			Assets Total	Current liabilities	
Cangzhou Rongzhi Property Service Co., Ltd.	95,973.74	685.68	96,659.42	7,270.63	7,270.63
Baoding Rongrun Property Service Co., Ltd.	2,055,087.02	80,289.16	2,135,376.18	2,252,767.86	2,252,767.86
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	8,005,723.80	473,458.50	8,479,182.30	954,181.38	954,181.38
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	0.00	0.00	0.00	0.00	0.00
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	963,556.24	510,028.17	1,473,584.41	12,433,100.72	12,433,100.72
Shengxing Lvju Living Service (Hebei) Co., Ltd.	119,496,689.59	6,258,222.45	125,754,912.04	112,737,983.91	112,737,983.91
Hebei Jinxiang Property Group Co., Ltd.	59,533,263.83	10,799,060.73	70,332,324.56	10,221,702.28	10,221,702.28
Wanjia Smart Environment (Beijing) Co., Ltd.	178,239,777.82	29,424,752.38	207,664,530.20	160,221,457.61	4,439,101.21
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	96,149,149.15	8,104,061.90	104,253,211.05	87,320,184.08	87,320,184.08
Huizhou Zhaofengnian Engineering Co., Ltd.	10,733,352.92	269,680.71	11,003,033.63	11,696,321.64	11,696,321.64
Huaihua Rongan Property Services Co., Ltd.	1,803,173.67	3,545.77	1,806,719.44	1,266,449.89	1,266,449.89
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	5,433,581.78	114,653.45	5,548,235.23	1,418,422.87	1,418,422.87

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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Key financial information on significant non-wholly owned subsidiaries (continued)

Name of subsidiary	Current assets	Non-current assets	Opening balance		Non-current liabilities	Liabilities Total
			Assets Total	Current liabilities		
Cangzhou Rongzhi Property Service Co., Ltd.	74,151.33	2,396.18	76,547.51	7,270.63	0.00	7,270.63
Baoding Rongrun Property Service Co., Ltd.	2,412,243.47	47,919.72	2,460,163.19	2,066,921.22	0.00	2,066,921.22
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	7,883,304.87	1,120,160.68	9,003,465.55	2,646,512.66	0.00	2,646,512.66
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	114,325.66	554,675.41	669,001.07	1,403,065.29	0.00	1,403,065.29
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	1,315,650.55	2,752,534.34	4,068,184.89	12,546,466.81	0.00	12,546,466.81
Shengxing Lvju Living Service (Hebei) Co., Ltd.	111,846,912.49	5,049,762.96	116,896,675.45	107,237,044.12	0.00	107,237,044.12
Hebei Jinxiang Property Group Co., Ltd.	61,022,192.75	8,706,384.09	69,728,576.84	5,887,924.48	0.00	5,887,924.48
Wanjia Smart Environment (Beijing) Co., Ltd.	162,645,169.65	43,122,418.26	205,767,587.91	168,048,337.90	15,031,058.36	183,079,396.26
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	65,252,247.35	6,017,663.03	71,269,910.38	59,772,181.66	0.00	59,772,181.66

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Key financial information on significant non-wholly owned subsidiaries (continued)

Name of subsidiary	Current year amount				Prior year amount			
	Operating revenue	Net profits	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profits	Total comprehensive income	Cash flows from operating activities
Cangzhou Rongzhi Property Service Co., Ltd.	0.00	20,111.91	20,111.91	353.55	0.00	-13,405.74	-13,405.74	-351.00
Baoding Rongrun Property Service Co., Ltd.	3,685,258.76	-510,633.65	-510,633.65	-204,711.38	2,987,506.48	-408,500.64	-408,500.64	75,461.10
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	9,827,091.38	1,168,048.03	1,168,048.03	265,698.17	11,414,079.44	1,238,375.78	1,238,375.78	-165,868.54
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	0.00	734,064.22	734,064.22	-116,983.26	99,809.41	-668,180.03	-668,180.03	99,570.94
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	-1,673,268.30	-2,481,234.39	-2,481,234.39	-451,841.35	100,865.58	-2,711,146.73	-2,711,146.73	102,135.37
Shengxing Lvju Living Service (Hebei) Co., Ltd.	46,933,154.19	3,357,296.80	3,357,296.80	138,663.87	50,215,100.02	7,289,043.68	7,289,043.68	31,621.47
Hebei Jinxiang Property Group Co., Ltd.	29,705,856.31	-3,730,030.08	-3,730,030.08	1,475,784.56	35,220,621.80	1,635,020.56	1,635,020.56	-2,830,763.57
Wanjia Smart Environment (Beijing) Co., Ltd.	131,607,164.69	20,315,779.73	20,315,779.73	7,594,068.26	139,049,450.45	2,076,370.80	2,076,370.80	-4,297,499.82
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	74,850,338.65	5,435,298.25	5,435,298.25	5,036,257.93	47,274,538.73	3,228,197.28	3,228,197.28	-32,632.41
Huizhou Zhaofengnian Engineering Co., Ltd.	8,817,551.81	2,373,879.75	2,373,879.75	-42,202.11	-	-	-	-
Huaihua Rongan Property Services Co., Ltd.	1,391,725.09	190,269.55	190,269.55	21,846.86	-	-	-	-
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	987,084.09	-203,597.46	-203,597.46	-358,033.21	-	-	-	-

2. Interests in joint ventures or associates

(1) Significant joint ventures or associates

Name of joint ventures or associates	Main place of business	Place of registration	Nature of business	Shareholding percentage (%)		Accounting treatment for investments in joint ventures or associates
				Direct	Indirect	
Beijing Yinsilang Information Technology Co., Ltd.	Beijing	Beijing	Technology promotion and application services	49.00	0.00	Equity method
Cangzhou Rongyue Property Service Co., Ltd. (滄州榮悅物業服務有限公司)	Hebei	Hebei	Property management services	30.00	0.00	Equity method

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(Unless indicated otherwise, all amounts are expressed in RMB)

VII INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(2) Key financial information on significant joint ventures or associates

Item	Closing balance/current year amount		Opening balance/prior year amount	
	Beijing Yinsilang Information Technology Co., Ltd.	Cangzhou Rongyue Property Service Co., Ltd.	Beijing Yinsilang Information Technology Co., Ltd.	Cangzhou Rongyue Property Service Co., Ltd.
Current assets	209,314,102.59	447,260.81	224,130,912.95	–
Including: Cash and cash equivalents	60,089.53	341,672.77	407,266.82	–
Non-current assets	0.00	169,275.73	55,115.24	–
Total assets	209,314,102.59	616,536.54	224,186,028.19	–
Current liabilities	8,192,064.87	994,655.76	9,704,542.84	–
Non-current liabilities	0.00	0.00	0.00	–
Total liabilities	8,192,064.87	994,655.76	9,704,542.84	–
Total net assets	201,122,037.72	-378,119.22	214,481,485.35	–
Including: Non-controlling interests	0.00	0.00	0.00	–
Equity attributable to shareholders of the parent company	201,122,037.72	-378,119.22	214,481,485.35	–
Share of net assets based on percentage of shareholding	98,549,798.48	-113,435.77	105,095,927.82	–
Adjustments	0.00	0.00	0.00	–
– Goodwill	0.00	0.00	0.00	–
– Unrealised profits from internal transactions	0.00	0.00	0.00	–
– Others	0.00	0.00	0.00	–
Book value of equity investments in joint ventures	100,000,000.00	150,000.00	100,000,000.00	–
Fair value of equity investments in joint venture for which publicly quoted prices exist	0.00	0.00	0.00	–
Operating revenue	0.00	39,106.78	29,382,100.79	–
Financial expenses	1,244.95	-214.02	8,316.53	–
Income tax expenses	0.00	-46,216.80	641,467.77	–
Net profits	-13,359,447.63	-878,119.22	-1,511,025.73	–
Net profit from discontinued operations	0.00	0.00	0.00	–
Other comprehensive income	0.00	0.00	0.00	–
Total comprehensive income	-13,359,447.63	-878,119.22	-1,511,025.73	–
Dividends received from joint ventures during the year	0.00	0.00	0.00	–

VIII GOVERNMENT GRANTS

Government grants recognised in profit or loss for the period

Accounting item	Current year amount	Prior year amount
Employment support scheme	1,443,942.53	922,316.62
Enterprise development support fund	0.00	100,000.00
Waste separation subsidy	80,444.00	101,200.00
Elevator control subsidy	0.00	484,965.00
Total	1,524,386.53	1,608,481.62

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

During its normal course of business, the Group is exposed to risks arising from various financial instruments, mainly including receivables, payables and financial assets held for trading. A detailed description of each financial instrument is set out in Note V to the financial statements. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The management of the Group manages and monitors these exposures to ensure that the above risks are kept within limits.

1. Various types of risk management objectives and policies

The Group's objective in engaging in risk management is to strike an appropriate balance between risk and return, to minimise the negative impact of risk on the Group's operating performance and to maximise the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyse the various risks to which the Group is exposed, establish appropriate risk tolerance limits and manage the risks, and monitor the various risks in a timely and reliable manner to keep the risks within the limits.

(1) Market risk

1) Exchange rate risk

The Group's exposure to exchange rate risk relates primarily to HKD. The Group's other major business activities are denominated and settled in RMB, except for the Group's parent company currency funds which include foreign currency operations. As at December 31, 2025, the Group's assets and liabilities are all in RMB, except for the HKD balances of assets and liabilities as described in the table below. The exchange rate risk arising from the assets and liabilities with HKD balances may have an impact on the Group's results of operations.

Item	December 31, 2025	December 31, 2024
Cash and cash equivalents – HKD	1,646,364.75	760,347.18

The Group closely monitors the impact of exchange rate movements on the Group.

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2025 – December 31, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

1. Various types of risk management objectives and policies (continued)

(1) Market risk (continued)

2) Interest rate risk

The Group's interest rate risk arises from interest-bearing debt such as bank borrowings and non-current liabilities. Financial liabilities with variable interest rates expose the Group to cash flow interest rate risk and financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of fixed-rate and variable-rate contracts based on the prevailing market conditions. As at December 31, 2025, the Group's interest-bearing debt mainly consisted of RMB-denominated fixed-rate short-term loan contracts amounting to RMB3.00 million (December 31, 2024: RMB3.00 million).

The Group's risk of changes in fair value of financial instruments due to changes in interest rates relates primarily to fixed rate bank borrowings. For fixed rate borrowings, the Group aims to maintain its variable rate.

The Group's exposure to changes in cash flows from financial instruments due to changes in interest rates relates primarily to variable rate bank borrowings. It is the Group's policy to maintain a variable interest rate on these borrowings to eliminate the fair value risk of interest rate changes.

3) Price risk

The Group's property services revenue is relatively stable and is less affected by price fluctuations.

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

1. Various types of risk management objectives and policies (continued)

(2) Credit risk

The Group manages credit risk on a group basis. Credit risk mainly arises from monetary funds, notes receivable, accounts receivable, accounts receivable financing, other receivables, contract assets and long-term receivables.

To mitigate credit risk, the Group has established a dedicated department to determine credit limits, perform credit approvals and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. Moreover, the Group supervises every single receivable on every balance sheet date to make sure sufficient provision on bad debt will be in place for those irretrievable receivables. As a result, the Group's management believes that the Group's exposure to credit risk has been significantly reduced.

The Group's liquidity is placed with banks with high credit ratings and therefore the credit risk on liquidity is low.

The Group has adopted the necessary policies to ensure that all sales customers have a good credit history. Apart from the top five accounts receivable amounts and contract assets, the Group has no other significant credit concentration risk. Of the Group's accounts receivable and contract assets, the top five amounts totalled: RMB232.8829 million, accounting for 9.03% of the Company's total accounts receivable and contract assets.

1) *Criteria for determining significant increase in credit risk*

The Group determines on every balance sheet date whether the credit risk of a financial instrument has increased significantly since its initial recognition by comparing the probability of default over the expected life of the financial instrument as determined at initial recognition with the probability of default over the expected life of the instrument as determined at the balance sheet date. However, if the Group determines that a financial instrument has only low credit risk at the balance sheet date, it can assume that the credit risk of the financial instrument has not increased significantly since initial recognition.

The Group's main criteria for determining a significant increase in credit risk are significant changes in one or more of the following indicators: significant adverse changes in the debtor's operating environment, internal and external credit ratings, and actual or expected operating results.

NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

1. Various types of risk management objectives and policies (continued)

(2) Credit risk (continued)

2) *Definition of assets to which credit impairment has occurred*

A financial asset becomes credit impaired when one or more events occur that have an adverse effect on the expected future cash flows of the financial asset.

Evidence that a financial asset is impaired includes observable information such as: significant financial difficulty of the issuer or debtor; A breach of contract by the debtor, such as a default or delinquency in interest or principal payments; a concession by the Group, arising from economic or contractual considerations relating to the debtor's financial difficulties, which the debtor would not otherwise have made; bankruptcy or other financial reorganization that the debtor may go into; the disappearance of an active market for the financial asset as a result of the financial difficulties of the issuer or debtor.

3) *Credit risk exposure*

At December 31, 2025, the largest exposure to credit risk that could give rise to financial losses for the Group arises primarily from losses on the Group's financial assets arising from the failure of the other party to the contract to perform its obligations and from financial guarantees assumed by the Group.

The book amount of financial assets recognised in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects the exposure but is not the maximum exposure, which will change with future changes in fair value.

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)**1. Various types of risk management objectives and policies** (continued)**(3) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group manages liquidity risk by ensuring that it has sufficient financial liquidity to meet its obligations as they fall due without incurring unacceptable losses or causing damage to its corporate reputation. The Group regularly analyses the structure and maturity of its liabilities to ensure that sufficient funds are available.

Financial assets and financial liabilities held by the Group are analyzed by the maturity of the undiscounted residual contractual obligations as follows:

Amount at December 31, 2025:

Item	Within one year	1-2 years	2 to 5 years	More than 5 years	Total
Financial assets	-	-	-	-	-
Cash and cash equivalents	529,387,382.80	0.00	0.00	0.00	529,387,382.80
Notes receivable	632,407.37	0.00	0.00	0.00	632,407.37
Accounts receivable	2,419,145,429.62	0.00	0.00	0.00	2,419,145,429.62
Other receivables	671,559,179.10	0.00	0.00	0.00	671,559,179.10
Non-current assets due within one year	1,872,205.80	0.00	0.00	0.00	1,872,205.80
Long-term receivables	3,192,382.49	132,085.80	396,257.40	528,343.20	4,249,068.89
Financial liabilities	-	-	-	-	-
Short-term borrowings	3,000,000.00	0.00	0.00	0.00	3,000,000.00
Accounts payable	719,244,961.72	0.00	0.00	0.00	719,244,961.72
Other payables	490,103,008.94	0.00	0.00	0.00	490,103,008.94
Employee benefits payable	127,494,966.34	0.00	0.00	0.00	127,494,966.34
Non-current liabilities due within one year	10,289,191.19	0.00	0.00	0.00	10,289,191.19
Lease liabilities (excluding non-current liabilities due within one year)	0.00	3,482,309.17	715,789.84	0.00	4,198,099.01

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January 1, 2025 – December 31, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

2. Sensitivity analysis

The Group uses sensitivity analysis techniques to analyse the possible impact of reasonable and probable changes in risk variables on current profit or loss or shareholders' equity. As changes in any risk variable rarely occur in isolation and the correlation that exists between variables will have a significant effect on the ultimate amount of impact of a change in a risk variable, the following is performed assuming that changes in each variable are independent.

(1) Foreign exchange risk sensitivity analysis

Foreign exchange risk sensitivity analysis assumes that all net investment hedges and cash flow hedges for foreign operations are highly effective.

On the basis of the above assumptions, the after-tax effect on current profit or loss and equity of a reasonable possible change in exchange rates, with all other variables held constant, is as follows:

Item	Exchange rate movements	FY2025		FY2024	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
HKD	Appreciation against the RMB by 5%	-91,138.63	-91,138.63	-41,053.69	-41,053.69
HKD	Devaluation against the RMB by 5%	91,138.63	91,138.63	41,053.69	41,053.69

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

2. Sensitivity analysis (continued)

(2) Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis is based on the following assumptions:

changes in market interest rates affect interest income or expense on variable rate financial instruments;

for fixed-rate financial instruments measured at fair value, changes in market interest rates affect interest income or expense only;

changes in the fair value of derivative financial instruments and other financial assets and liabilities are measured using the discounted cash flow method using market interest rates at the balance sheet date.

On the basis of the above assumptions, the after-tax effect on current profit or loss and equity of a reasonable possible change in interest rates, with all other variables held constant, is as follows:

Item	Changes in interest rates	FY2025		FY2024	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Variable rate borrowing	Increase by 1%	30,000.00	30,000.00	30,000.00	30,000.00
Variable rate borrowing	Decrease by 1%	-30,000.00	-30,000.00	-30,000.00	-30,000.00

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(Unless indicated otherwise, all amounts are expressed in RMB)

X DISCLOSURE OF FAIR VALUE

1. Closing fair value of assets and liabilities measured at fair value

Item	Closing fair value			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Continuing fair value measurement	–	–	–	–
(I) Investment properties	0.00	68,709,683.29	0.00	68,709,683.29
1. Buildings for lease	0.00	22,985,683.29	0.00	22,985,683.29
2. Parking spaces held and ready for transfer upon appreciation in value	0.00	45,724,000.00	0.00	45,724,000.00

2. Continuing and discontinuing Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques used and significant parameters

The investment properties of the enterprise that belong to Level 2 fair value measurement in the current period are mainly: housing buildings used for leasing and parking spaces held for sale by the enterprise, which were valued based on a valuation report issued by a professional valuer using the market comparison approach.

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Related party relationships

(1) Parent company of the Company

1) Controlling shareholders and ultimate controlling party

Percentage of shareholding of controlling shareholders and ultimate controlling party	Name of controlling shareholders and ultimate controlling party	Place of registration	Nature of business	Registered capital (RMB10,000)	Shareholding in the Company (%)	Percentage of voting rights in the Company (%)
	RiseSun Real Estate Development Co., Ltd.	Langfang, Hebei	Real estate	434,816.39	62.64	62.64

The ultimate controlling party of the Company is RiseSun Holdings Co., Ltd.

2) Registered capital of controlling shareholders and changes therein

Controlling shareholders	Opening balance	Increase during the year	Decrease during the year	Closing balance
RiseSun Real Estate Development Co., Ltd.	4,348,163,851.00	0.00	0.00	4,348,163,851.00

3) Shareholdings or equities of controlling shareholders and changes therein

Controlling shareholders	Amount of shareholding (RMB10,000)		Shareholding percentage (%)	
	Closing balance	Opening balance	End of the year	Beginning of the year
RiseSun Real Estate Development Co., Ltd.	23,552.70	23,552.70	62.64	62.64

(2) Subsidiaries of the Company

For details of the subsidiaries, please refer to “VII. 1.(1) Composition of the Group” in this note.

(3) Joint ventures and associates of the Company

For details of the Company’s significant joint ventures or associates, please refer to “VII. 2. Interests in joint ventures or associates” in this note.

NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties

Name of other related party	Relationship with the Company
Shenyang RiseSun Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Zhong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun Jinxiu Tiandi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun New Landmark Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Yutian Xingcheng Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Bizhao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hohhot RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhengzhou Hongzhufu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Jingxuan Zhangjiakou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongguang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun Zhongtian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongxu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing RiseSun Xinyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongshang Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yueyang RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Luohe Shengxu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Ningbo Ronghao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiajie RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhanjiang Development Zone Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong RiseSun Fuxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun Xingfu Dadao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Xingfu Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rongteng Shengzhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Glory Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Xianghe Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongxiang Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Haoyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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(Unless indicated otherwise, all amounts are expressed in RMB)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
RiseSun Real Estate Development Co., Ltd. Bazhou Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing RiseSun Kunchuang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing Rongqian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Datianyang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Jinrun Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huilai Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing Zhongrui Jiaye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Fangze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongqing Rongheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Dongling Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Dezhou Glory Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guoke (Qihe) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yiyang RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shaanxi Huayu Yingfeng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**1. Related party relationships** (continued)**(4) Other related parties** (continued)

Name of other related party	Relationship with the Company
Suzhou Yihao Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Architectural Design Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou RiseSun Yixin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rongkai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Zhongshi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Hua'ou Shundu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Shengtai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongting Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Shengjing Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongyu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiaxing Rongxiang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Jinhong Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hangzhou Rongshang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Shaoxing Chenyue Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shifang Kaixuan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Renshou Shengjing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rongshang Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongfan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu Tianhe Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Jinye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yangxi Ronghuasheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yueyang Hengtong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Puyang Rongyou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan Rongkai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Xianghe Varytown Industrial Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongzhi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shengyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong Yizhuo Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhu RiseSun Wanye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yiyang Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei Rongbang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Shengye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Dongfangbailing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Langfang Development Zone Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhuzhou RiseSun Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tianjin Rongzhen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Zeye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Xinyang Rongyang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Guangdong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Xinlv Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Youshan Ecological Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Bengbu) Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Jiaye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Fengye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Dingye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Wuhu) Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Leye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing Rongpin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Dongfang Lanhai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Langfang Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhanjiang Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Xinmao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**1. Related party relationships** (continued)**(4) Other related parties** (continued)

Name of other related party	Relationship with the Company
Liaocheng Rongxing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xuzhou) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zouping Chengtou Xinghui Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zouping Chengtou Qiyun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hengshui Rongjun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Rongsu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronghao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Hongzhou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Panjin RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Ronghai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengde Hengyue Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xinglong) Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shangrao RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hanzhong Rongyuan Xingcheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Qingdao Dongfangyalong Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi Rongtai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi RiseSun Zhuoyue Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yangxi Huasheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Foshan Shunde Fosheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shenghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Baoding Zheshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongzhou Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Ronghang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hangzhou Glory Shenghao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinzhai RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan Rongang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongzhen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Gangzhou Defa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongdao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**1. Related party relationships** (continued)**(4) Other related parties** (continued)

Name of other related party	Relationship with the Company
Nanjing Rong'en Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Ruihong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Maosheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi Rongjun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Xieyi Landscape Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Baoding Zexin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Lesheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Rongchuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xianghe) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yixin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiaxing RiseSun Xinyi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yihao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yihong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Xinhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Guangyu Construction & Decoration Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Liaocheng RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Qianchen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Sanhe Yanyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Taiyuan Rongde Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Moze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Henan Rongyou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Xiangyun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongyun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Rongxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Rongshun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Wante Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Rongxin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shengyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Rongshuo Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hongyun (Jiangsu Changzhou) Industrial Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Business Management Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu City Bengshan District Yusheng Nanshan Yudu Kindergarten	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**1. Related party relationships** (continued)**(4) Other related parties** (continued)

Name of other related party	Relationship with the Company
Chengde Rongde Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Kanglv (Henan) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan Development Zone Rongfa Shenghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rongjin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongqing Rongzhidi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xuzhou) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nantong Rongdatong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongli Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Guangde Door & Window Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu Rongjia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou RiseSun Real Estate Development Co., Ltd. Xinhua District Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Kaisheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Taibo Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Jinan Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Varytown Industrial Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd. Arcadia Seaside Holiday Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Taichang Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Handan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenzhen Hongyuan Architectural Design & Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Tongxin Real Estate Development Co., Ltd. RiseSun Health Valley Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Shouling Entertainment Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone RiseSun Real Estate Development Co., Ltd. Arcadia International Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone Shengze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party

Relationship with the Company

Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd. Xuhui Institute

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Langfang Development Zone Shengyuan Real Estate Development Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Changzhou Shenghui Business Management Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Qinhuangdao Jinhai Real Estate Development Co., Ltd. Gold Coast Hotel

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Huangshan RiseSun Real Estate Development Co., Ltd. Arcadia Sunshine Hotel

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Huangshan RiseSun Real Estate Development Co., Ltd. Jinpen Bay Arcadia Sunshine Hotel

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd. Arcadia Forest Hotel

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Beijing Jingcheng Huijie Architectural Design Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Zhanjiang Shangsheng Business Management Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Nanjing Hua'ou Shundu Real Estate Co., Ltd. Arcadia International Hotel

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Shennongjia Forestry District Shenghang Jianlai Kangyang Service Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Huangshan RoEasy Resort Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xiuwu RiseSun Cultural Tourism Ancient Town Development Co., Ltd. Yuntaishan RoEasy Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhu Rongzhong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Zhongsheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tianjin Rongtai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shangsheng Outlets Trading Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Chengkun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou RiseSun Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Rongteng Shengzhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhan Minglirui Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Liaocheng Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Gu'an Rongfang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party

Relationship with the Company

Liaocheng Dongchangfu District Ronghe Real Estate Development Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Liaocheng RiseSun Real Estate Development Co., Ltd. Linqing Branch

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Linyi RiseSun Real Estate Development Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Changzhou RiseSun Shangyuan Real Estate Development Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Nanjing Shangsheng Business Management Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Yixing RiseSun Yixin Real Estate Development Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Nanjing Ronghua Shengshi Information Technology Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Yichang Rongyi Real Estate Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

RiseSun (Xinglong) Tourism Development Co., Ltd. QingSongLing Arcadia International Resort Hotel

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Jinan Rong'en Real Estate Development Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Bazhou Nan Meng Yusheng Hot Spring City Kindergarten

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Nanjing RiseSun Building Materials Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

Qinhuangdao Shengze Real Estate Development Co., Ltd.

Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Rongsen (Tianjin) Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Bazhou) Park Construction Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Cangzhou Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yixing Chengdong Cultural Tourism Investment Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Washington Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tianshi (Gu'an) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hunan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Yiwei Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rongnian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing RiseSun Chuangzhan Operation Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing RiseSun Real Estate Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Yujing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd. Linyi Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Linyi Kaien Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Pizhou) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongchuang Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Hebei RiseSun Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Tangshan) Park Construction Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Rongkai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hanzhong Rongyuan Jincheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shaanxi RiseSun Fengying Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Ruisheng Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiangsu Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tibet New Exploration Real Estate Marketing Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Rongcheng (Tianjin) Real Estate Marketing Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anhui Jiu Hua Hot Spring Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingyang Arcadia Hotel Branch	
Huangshan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Rongding Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qianxi RiseSun Real Estate Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tibet Hongtu Tourism Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Qinhuangdao Jinhai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Shengze Real Estate Development Co., Ltd. Zuolinyouli Apartment Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Tongxin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xiwu RiseSun Cultural Tourism Ancient Town Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Sizhong Internet (Beijing) Network Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Operation and Management Co., Ltd. Pingshan County Rongxi Courtyard Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronglu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongyi Catering Management Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jingnan New District Investment and Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Jingtai Communication Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Yongqing) Water Supply Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Yongqing) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xinglong Ronghuian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party

Relationship with the Company

Zhanjiang Economic and Technological Development Zone Yu Sheng Hua Fu Kindergarten Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guangzhou RiseSun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xiuwu RiseSun Yuntai Ancient Town Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liyang Jinrong Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Real Estate RoEasy Exquisite Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District Kangyang Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu Shangsheng Property Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou Alcadia RoEasy Cozy Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. RoEasy Hospitality Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Garden Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Xuzhou Yuesheng Decoration Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Sizhong (Jiaxing) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing New Exploration Real Estate Consulting Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anping RoEasy Holiday Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anhui Jiuhua Hot Spring Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. Arcadia Holiday Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. Zuolinyouli Rural Homestay	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yangzhou RiseSun Kanglv Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui Rongfa Sports Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Arcadia International Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rokey Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rongxi Manor Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**1. Related party relationships** (continued)**(4) Other related parties** (continued)

Name of other related party	Relationship with the Company
Lijiang RiseSun Kanglv Real Estate Co., Ltd. Arcadia Xueshan Yuanxiang Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun KangLv Chengde Agricultural Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd. Daihe Shouling Apartment Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Kanglv Zhangjiakou Wanquan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou RiseSun Plaza Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Arcadia International Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei RiseSun Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinzhai RiseSun Ecological Agriculture Sightseeing Tourism Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shangsheng Department Store Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Business Management Co., Ltd. RiseSun Huafu Supermarket	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Yesanpo Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Tourism Development Co., Ltd. Arcadia Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Kanglv Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing Yijia Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing Wenbiao Enterprise Consulting Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Liaocheng Arcadia International Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Oriental Bay Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Lianrong Information Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Ronghua Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Longwan Lake Tourism Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lijiang RiseSun Kanglv Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lijiang RiseSun Kanglv Real Estate Co., Ltd. Rongxi Manor Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Tourism Development Co., Ltd. Arcadia International Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qifang (Beijing) Education Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan RiseSun Real Estate Development Co., Ltd. Rongyiyuan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. RoEasy Four Seasons Fairy Tale Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rongxi Manor Hotel Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Langfang RiseSun Hotel Management Co., Ltd. Linyi Huayu Xingyuan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd. Linyi Rongxin Hotel Exhibition Center Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Bengbu Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan RoEasy Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guoke (Qihe) Investment Co., Ltd. Arcadia Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Hongya Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RoEasy Trip Kanglv (Hainan) Automobile Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Yijing Garden Nursery Stock Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Rongcheng (Tianjin) Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xinglong County RiseSun Qingsongling Arcadia Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xi'an RiseSun Zhuoyue Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu Rongfu Commercial Operation Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Taiju Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huaibei RiseSun Tangu New City Construction Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongchuang Real Estate Development Co., Ltd. Lijiazhuang RoEasy Rural Inn	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Hebei Rongxu Real Estate Development Co., Ltd. Luquan RoEasy Time Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengde RiseSun Health & Travel Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Tinghai Xiaozhu Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd. Bazhou RiseSun Arcadia Clubhouse Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Zhimingqi Intelligent Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Rongxing Real Estate Development Co., Ltd. (Commercial Plot)	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District Arcadia Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun KangLv Chengde Agricultural Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou Rongyi Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Arcadia Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Weichang Manchu and Mongol Autonomous County Tourism Development Co., Ltd. Arcadia Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rongrun Real Estate Development Co., Ltd.	An associate of RiseSun Group
Cangzhou Baosheng Real Estate Development Co., Ltd.	An associate of RiseSun Group
Shijiazhuang Runpeng Real Estate Development Co., Ltd.	An associate of RiseSun Group
RiseSun Construction Engineering Co., Ltd.	A company controlled by ultimate holding company
RiseSun Xingcheng (Hing Long) New Energy Development Co., Ltd.	A company controlled by ultimate holding company
Hebei Anxu Specialised Vehicle Co., Ltd.	A company controlled by ultimate holding company
Langfang RiseSun Concrete Co., Ltd.	A company controlled by ultimate holding company
Langfang Xinsheng Concrete Co., Ltd.	A company controlled by ultimate holding company
RiseSun Anxu Environmental Development (Bei'an City) Co., Ltd.	A company controlled by ultimate holding company

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**2. Related Party Transactions****(1) Purchase of goods/acceptance of services**

Related parties	Content of related transactions	Current year amount	Prior year amount
RiseSun Group	Purchase of goods	676,694.38	2,438,994.36
A company controlled by ultimate holding company	Purchase of goods	0.00	2,215,653.67
A company controlled by ultimate holding company	Acceptance of services	193,851.26	109,433.96
Total	-	870,545.64	4,764,081.99

(2) Sales of goods/provision of services

Related parties	Content of related transactions	Current year amount	Prior year amount
RiseSun Group	Small-scale engineering, services	62,880,521.81	149,254,095.00
A company controlled by ultimate holding company	Services	7,173.50	2,224,144.50
An associate of RiseSun Group	Services	4,314,462.96	58,186.13
Total	-	67,202,158.27	151,536,425.63

(3) Key management remuneration

Name of item	Current year amount	Prior year amount
Total remuneration	6,812,227.17	7,714,636.91

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related Party Transactions (continued)

(4) Purchase of properties and parking spaces for debt settlement

In order to address the Group's receivables exposure, the Company entered into a debts settlement framework agreement with RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司) and its subsidiaries and associates (the "RiseSun Development Group").

On November 16, 2023, the Company entered into a debt settlement framework agreement with RiseSun Development Group, pursuant to which the Company acquired (i) a total of 10,870 parking spaces and (ii) a total of 332 residential, office and retail units (with a total GFA of approximately 26,341.01 square meters) of RiseSun Development Group in the PRC at a consideration of RMB567,857,855.55. The acquisition was approved by the Company's extraordinary general meeting on January 31, 2024.

On June 18, 2025, the Company entered into a further debt settlement framework agreement with RiseSun Development Group, pursuant to which the Company acquired (i) a total of 12,689 parking spaces; (ii) a total of 5,479 storage units (with a total GFA of approximately 36,169.17 square meters); and (iii) a total of 112 residential, office and retail units (with a total GFA of approximately 25,945.44 square meters) located in the PRC from RiseSun Development Group for a consideration of RMB1,069,874,840.76. The acquisition was approved by the Company's extraordinary general meeting on August 8, 2025.

It was agreed by the Company and the RiseSun Development Group under the debts settlement framework agreement that the consideration for the acquisition of settlement properties payable by the Group shall be offset against the receivables on a dollar-for-dollar basis, and thus no separate cash payment will be made by the Group to the RiseSun Development Group.

As of December 31, 2025, the status of the purchase of properties and parking spaces for debt settlement is as follows:

Related party	Content of related transactions	Current year amount	Prior year amount
RiseSun Group	Purchase of properties and parking spaces for debt settlement	410,175,047.46	268,317,156.29

(5) Continuing related party transactions

The related party transactions disclosed in the Group's 2025 Financial Report XI, 2. also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**3. Balance of receivables from and payables to related parties****(1) Receivables**

Name of item	Related parties	Closing book balance	Bad debt provision	Opening book balance	Bad debt provision
Accounts receivable	RiseSun Group	1,053,862,744.64	321,415,830.18	1,355,693,607.51	305,756,901.63
Accounts receivable	A company controlled by ultimate holding company	28,709,711.45	14,823,317.67	37,067,423.88	13,046,780.84
Accounts receivable	An associate of RiseSun Group	8,808,680.70	1,645,771.03	3,299,274.04	852,456.70
Prepayments	RiseSun Group	2,550,191.78	0.00	2,767,769.58	0.00
Prepayments	A company controlled by ultimate holding company	80,000.00	0.00	80,000.00	0.00
Other receivables	RiseSun Group	296,657,056.93	92,296,156.35	287,318,274.04	74,263,162.46
Other receivables	A company controlled by ultimate holding company	91,457.96	52,198.99	13,491,173.07	1,312,733.28
Contract assets	RiseSun Group	24,449,633.30	1,634,754.87	15,024,892.84	973,613.05
Notes receivable	A company controlled by ultimate holding company	599,000.00	40,050.43	0.00	0.00
Total	-	1,415,808,476.76	431,908,079.52	1,714,742,414.96	396,205,647.96

(2) Payables

Name of item	Related parties	Closing book balance	Opening book balance
Accounts payable	RiseSun Group	19,742,763.14	20,981,648.69
Accounts payable	A company controlled by ultimate holding company	1,838,109.43	7,245,132.30
Other payables	RiseSun Group	57,333,821.20	80,103,797.56
Other payables	A company controlled by ultimate holding company	250,715.24	2,858,252.35
Contract liabilities	RiseSun Group	45,688,884.20	28,352,754.32
Contract liabilities	A company controlled by ultimate holding company	0.00	150,943.40
Total	-	124,854,293.21	139,692,528.62

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Related party commitments

None.

5. Remuneration of directors, supervisors and employees

(1) The remunerations of directors and supervisors are detailed as follows:

Personnel	Salaries and allowances	Social security, housing fund and pensions	Bonus	Share based payments	Total
Current year amount	-	-	-	-	-
Executive Directors	3,326,899.82	356,094.80	136,080.00	-	3,819,074.62
Geng Jianfu (resigned on September 18, 2025)	1,152,490.39	29,250.38	136,080.00	1,317,820.77	0.00
Wu Qiuyun (appointed on October 21, 2025)	120,689.66	120,689.66	0.00	0.00	0.00
Long Xiaokang (appointed on June 28, 2024)	1,109,000.00	155,886.44	1,264,886.44	0.00	0.00
Liu Hongxia (appointed on August 22, 2022)	944,719.77	170,957.98	1,115,677.75	0.00	0.00
Supervisor (abolish on October 21, 2025)	739,000.00	157,935.64	-	-	896,935.64
Dong Hui (resigned on October 21, 2025)	423,500.00	83,219.68	506,719.68	0.00	0.00
Wu Xiyang (resigned on October 21, 2025)	215,500.00	74,715.96	290,215.96	0.00	0.00
Zhang Yuanpeng (resigned on October 21, 2025)	50,000.00	50,000.00	0.00	0.00	0.00
Yang Xi (appointed March 2, 2023) (resigned on October 21, 2025)	50,000.00	50,000.00	0.00	0.00	0.00
Non-executive Directors	73,974.96	131,033.76	-	-	205,008.72
Zhang Wenge	73,974.96	131,033.76	205,008.72	0.00	0.00
Independent Non-executive Directors	450,000.00	-	-	-	450,000.00
Jin Wenhui	150,000.00	150,000.00	0.00	0.00	0.00
Tang Yishu	150,000.00	150,000.00	0.00	0.00	0.00
Xu Shaohong Alex (appointed on August 22, 2022)	150,000.00	150,000.00	0.00	0.00	0.00
Total	4,589,874.78	645,064.20	136,080.00	-	5,371,018.98
Prior year amount	-	-	-	-	-
Executive Directors	3,978,478.57	463,170.90	0.00	0.00	4,441,649.47
Geng Jianfu	1,616,666.63	91,212.19	0.00	0.00	1,707,878.82
Xiao Tianchi (resigned on June 28, 2024)	261,078.00	61,850.60	0.00	0.00	322,928.60
Long Xiaokang (appointed on June 28, 2024)	1,111,115.00	144,743.40	0.00	0.00	1,255,858.40
Liu Hongxia	989,618.94	165,364.71	0.00	0.00	1,154,983.65
Supervisor	863,386.00	174,770.67	0.00	0.00	1,038,156.67
Dong Hui	484,434.00	91,213.44	0.00	0.00	575,647.44
Wu Xiyang	258,952.00	83,557.23	0.00	0.00	342,509.23
Zhang Yuanpeng	60,000.00	0.00	0.00	0.00	60,000.00
Yang Xi (appointed March 2, 2023)	60,000.00	0.00	0.00	0.00	60,000.00
Non-executive Directors	74,088.96	131,033.76	0.00	0.00	205,122.72
Zhang Wenge	74,088.96	131,033.76	0.00	0.00	205,122.72
Independent Non-executive Directors	450,000.00	0.00	0.00	0.00	450,000.00
Jin Wenhui	150,000.00	0.00	0.00	0.00	150,000.00
Tang Yishu	150,000.00	0.00	0.00	0.00	150,000.00
Xu Shaohong Alex	150,000.00	0.00	0.00	0.00	150,000.00
Total	5,365,953.53	768,975.33	0.00	0.00	6,134,928.86

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**5. Remuneration of directors, supervisors and employees** (continued)**(2) The top five highest-paid persons**

Three of the top five individuals with the highest remuneration this year are directors (prior year: three people), two are supervisors (prior year: two people). The remuneration of the directors and supervisors is set out in Note XI. 5.(1). Remuneration has been reflected in the remuneration of directors and supervisors.

During the track record period, none of the directors waived or agreed to waive any remuneration. During the track record period, the company did not pay any remuneration to any directors, supervisors, or the five highest-paid individuals as an inducement to join or upon joining the company or as compensation for loss of office.

(3) Key management remuneration

Key management compensation, including amounts paid and payable to directors, supervisors and senior management, is as follows:

Item	Current year amount	Prior year amount
Salaries and allowances	5,732,074.78	6,702,261.00
Social security, housing fund and related pension costs	897,582.57	1,012,375.91
Bonus	182,569.82	
Total	6,812,227.17	7,714,636.91

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XII SHARE-BASED PAYMENTS

None.

XIII COMMITMENTS AND CONTINGENCIES

As of the reporting date, the contingent matters arising from the Group's pending litigation exceeding RMB1 million and their financial impact are as follows:

Plaintiff	Defendant	Cause of Action	Court	Amount involved	Progress
Cangzhou Zhaorui Fangyuan Exterior Wall Insulation Coating Construction Team	Cangzhou Kaisheng Real Estate Development Co., Ltd., RiseSun Jizhong (Hebei) Real Estate Development Co., Ltd., RiseSun Real Estate Development Co., Ltd. Cangzhou Branch, Cangzhou RiseSun Real Estate Development Co., Ltd., Roiserv Lifestyle Services Co., Ltd. Cangzhou Branch	Construction contract disputes	Cangzhou Yunhe District People's Court	6,000,000.00	Under adjudication
Hebei Yingyuan Construction Engineering Co., Ltd. (河北瀛源建築工程有限公司)	Shijiazhuang Rongfan Real Estate Development Co., Ltd., Hebei RiseSun Real Estate Development Co., Ltd, Hebei Xusheng Real Estate Development Co., Ltd. (河北旭昇房地產開發有限公司), Roiserv Lifestyle Services Co., Ltd.	Dispute over the occupation of quality guarantee deposits	Shijiazhuang Xinhua District People's Court	4,159,358.75	Under adjudication
Xuzhou Zhicheng Tewe Security Service Co., Ltd. (徐州至誠特衛保安服務有限公司)	Roiserv Lifestyle Services Co., Ltd., Roiserv Lifestyle Services Co., Ltd. Bengbu Branch	Property service contract disputes	Bengbu Bengshan District People's Court	3,308,675.95	Under adjudication
Anhui Zhensheng Security Service Group Co., Ltd. (安徽振升保安服務集團有限公司)	Roiserv Lifestyle Services Co., Ltd., Roiserv Lifestyle Services Co., Ltd. Hefei Branch	Property service contract disputes	Hefei Baohe District People's Court	2,069,295.16	Under adjudication
Owners' Committee of Nanya Lidu Community, Mazhang District, Zhanjiang	Roiserv Lifestyle Services Co., Ltd. Zhanjiang Branch	Property service contract disputes	Zhanjiang Mazhang District People's Court	2,000,000.00	Under adjudication
Tianjin Zhisheng Stone Co., Ltd. (天津智盛石材有限公司)	Tianjin Rongshang Technology Co., Ltd., Roiserv Lifestyle Services Co., Ltd.	Sales contract disputes	People's Court of Langfang Economic and Technological Development Zone, Hebei Province	1,798,835.14	Under adjudication
Huangshan Jinsheng Earthwork Engineering Co., Ltd. (黃山金笙土石方工程有限公司)	Roiserv Lifestyle Services Co., Ltd., Huangshan RiseSun Real Estate Development Co., Ltd.	Construction contract disputes	Huangshan City Huangshan District People's Court	1,594,463.46	Under adjudication
Total	-	-	-	14,930,628.46	-

XIII COMMITMENTS AND CONTINGENCIES (continued)

Description:

1. On 29 November 2023, the plaintiff, Cangzhou Chaorui Fangyuan Exterior Wall Insulation Coating Construction Team, filed a lawsuit with the Cangzhou Yunhe District People's Court regarding a construction contract dispute against the defendants, Cangzhou Kaisheng Real Estate Development Co., Ltd., RiseSun Jizhong (Hebei) Real Estate Development Co., Ltd., RiseSun Real Estate Development Co., Ltd. Cangzhou Branch, Cangzhou RiseSun Real Estate Development Co., Ltd., and Roiserv Lifestyle Services Co., Ltd. Cangzhou Branch, requesting an order for the defendants to pay the plaintiff maintenance fees of RMB6,000,000. The case is currently at the trial stage.
2. On 19 July 2024, the plaintiff Hebei Yingyuan Construction Engineering Co., Ltd. (河北瀛源建築工程有限公司) filed a lawsuit with the People's Court of Xinhua District, Shijiazhuang City due to the dispute over the occupation of retention money with the defendants Shijiazhuang Rongfan Real Estate Development Co., Ltd. (石家莊榮繁房地產開發有限公司), Hebei Rongsheng Real Estate Development Co., Ltd. (河北榮盛房地產開發有限公司), Hebei Xusheng Real Estate Development Co., Ltd. (河北旭昇房地產開發有限公司) and Roiserv Lifestyle Services Co., Ltd., requesting the court to order that the defendants should pay the plaintiff the occupied retention money of RMB4,159,358.75. This case is currently in the trial stage.
3. On 10 November 2025, the plaintiff Xuzhou Zhicheng Tewe Security Services Co., Ltd. (徐州至誠特衛保安服務有限公司) filed a lawsuit with the People's Court of Bengshan District, Bengbu City due to the dispute over property service contracts with the defendants Roiserv Lifestyle Services Co., Ltd. and Roiserv Lifestyle Services Co., Ltd. Bengbu Branch, requesting the court to order that the defendants should pay the plaintiff the order maintenance costs of RMB3,308,675.95. This case is currently in the trial stage.
4. On 27 August 2025, the plaintiff Anhui Zhensheng Security Service Group Co., Ltd. (安徽振升保安服務集團有限公司) filed a lawsuit with the People's Court of Bengshan District, Bengbu City due to the dispute over property service contracts with Roiserv Lifestyle Services Co., Ltd. and Roiserv Lifestyle Services Co., Ltd. Hefei Branch, requesting the court to order that the defendants should pay the plaintiff the order maintenance costs of RMB2,069,295.16. This case is currently in the trial stage.
5. On 6 March 2025, the plaintiff, the Owners' Committee of Nanya Lidu Community, Mazhang District, Zhanjiang City, filed a lawsuit with the People's Court of Mazhang District, Zhanjiang City due to the dispute over property service contract with the defendant Roiserv Lifestyle Services Co., Ltd. Zhanjiang Branch, requesting the court to order that the defendant should refund a provisional estimated amount of RMB2 million of co-benefit income such as parking income, advertising income and income from operating public housing. This case is currently in the trial stage.
6. On 25 March 2025, the plaintiff Tianjin Zhisheng Stone Co., Ltd. (天津智盛石材有限公司) filed a lawsuit with the People's Court of Langfang Economic and Technological Development Zone, Hebei Province due to the dispute over sales contracts with the defendants Tianjin Rongshang Technology Co., Ltd. (天津榮尚科技有限公司) and Roiserv Lifestyle Services Co., Ltd., requesting the court to order that the defendants should pay a total of RMB1,798,835.14 for the purchase of stone materials and delay interest. This case is currently in the trial stage.
7. On 25 June 2023, the plaintiff, Huangshan Jinsheng Earthwork Engineering Co., Ltd., filed a lawsuit with the Huangshan District People's Court of Huangshan City in connection with the construction contract dispute with the defendants, Roiserv Lifestyle Services Co., Ltd. and Huangshan Rongsheng Property Development Co., Ltd., requesting an order for the defendants to: (1) terminate the "Jinpenwan Group I and IV Quality Rectification and Quality Improvement Project Construction Contract"; (2) an order for Roiserv Lifestyle Services Co., Ltd. to immediately pay the plaintiff the project amount of RMB1,205,891 and the liquidated damages for overdue payment of RMB388,572.46. The case is currently awaiting trial.

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XIV EVENTS AFTER THE BALANCE SHEET DATE

None.

XV OTHER SIGNIFICANT MATTERS

1. Progress of the exclusive sales agency agreement for parking spaces between the Company and Langfang Junyi Building Materials Co., Ltd.:

On June 30, 2022, the Company entered into a sales agency service agreement (the “Sales Agency Agreement”) with Langfang Junyi Building Materials Co., Ltd. (herein after referred to as “Langfang Junyi”). Pursuant to the Sales Agency Agreement, Langfang Junyi shall grant the right to the Company to provide sales agency services on an exclusive basis in respect of certain car parking lots (the “Parking Lot(s)”) of Langfang Junyi for a term of two years from June 30, 2022 to June 30, 2024 where the Company was required to pay a refundable performance deposit amounting to RMB614,700,000.00 (the “Performance Deposit”) to guarantee its performance of duty and obligation under the Sales Agency Agreement. In July 2024, the Company signed a supplemental agreement with Langfang Junyi, and the exclusive agency right for sales services was extended to June 30, 2025. In July 2025, the Company signed a supplemental agreement with Langfang Junyi, and the exclusive agency right for sales services was extended to June 30, 2026. For each Parking Lot, a based price (the “Base Price”), has been agreed between the Company and Langfang Junyi. The Company will then sell the Parking Lot to a third party customer at a selling price (the “Agreed Price”) which shall not be lower than the Base Price of such Parking Lot. The proceeds from the sale of the Parking Lots will be collected by the Company to offset the Performance Deposit first on a dollar for dollar basis. After the Base Price of a Parking Lot had been offset against the Performance Deposit, the difference between such Agreed Price and Base Price shall be distributed to Langfang Junyi and the Company in the proportion of 30% and 70%. Any outstanding Performance Deposit shall be returned to the Company within seven business days upon the expiry of the Sales Agency Agreement. Langfang Junyi Parking arose from debt offset by Rongsheng. For the year ended December 31, 2025, the Company obtained parking space sales amounting to RMB365,918,000, of which the portion of the reserve price was RMB285,138,500, the amount of gross profit on sales was RMB80,779,500, and the portion of the sale price in excess of the reserve price was attributable to the Company’s taxable sales commission income of RMB56,800,200, and the balance of the performance bond receivable by the Company from Langfang Junyi as of December 31, 2025, was RMB127,014,478.87, against which a provision for bad debts RMB59,657,858.01 had been recognised.

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(1) Accounts receivable presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	844,814,737.04	980,004,809.95
1-2 years	314,724,170.06	299,212,441.08
2-3 years	179,527,456.57	211,778,929.89
More than 3 years	232,662,132.07	148,843,656.59
Including: 3-4 years	136,208,477.46	131,596,431.27
4-5 years	83,152,237.80	12,978,502.43
More than 5 years	13,301,416.81	4,268,722.89
Total	1,571,728,495.74	1,639,839,837.51

(2) Accounts receivable classified according to the bad debt accrual method

Category	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	1,571,728,495.74	100.00	280,707,930.66	17.86	1,291,020,565.08
Including: Aging portfolio	1,571,728,495.74	100.00	280,707,930.66	17.86	1,291,020,565.08

Category	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	1,639,839,837.51	100.00	249,279,720.90	15.20	1,390,560,116.61
Including: Aging portfolio	1,639,839,837.51	100.00	249,279,720.90	15.20	1,390,560,116.61

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XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

1. Accounts receivable (continued)

(2) Accounts receivable classified according to the bad debt accrual method (continued)

1) Bad debt provision for accounts receivable by portfolio

Aging	Book balance	Closing balance	
		Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	844,814,737.04	43,969,510.56	5.20
1-2 years	314,724,170.06	38,482,739.47	12.23
2-3 years	179,527,456.57	62,305,544.02	34.71
More than 3 years	232,662,132.07	135,950,136.61	58.43
Including: 3-4 years	136,208,477.46	76,596,983.19	56.24
4-5 years	83,152,237.80	46,075,456.61	55.41
More than 5 years	13,301,416.81	13,277,696.81	99.82
Total	1,571,728,495.74	280,707,930.66	-

(3) Provisions for bad debts that are made, recovered or reversed for the year in respect of accounts receivable

Category	Opening balance	Accrual	Amount of change in current year			Closing balance
			Recovery or reversal	Charge off or write-off	Others	
Provision for bad debts by portfolio	249,279,720.90	31,763,548.99	0.00	335,339.23	0.00	280,707,930.66

(4) Accounts receivable actually written off during the year

Item	Amount of write-off
Accounts receivable actually written-off	335,339.23

(5) Top five accounts receivable and contract assets with closing balances grouped by the debtor

The aggregate amount of the top five accounts receivable and contract assets with closing balance grouped by debtors for the year was RMB144,507,102.45, accounting for 9.06% of the total closing balance of accounts receivable and contract assets, and the aggregate amount of the corresponding provision for bad debts with closing balance was RMB33,997,805.76.

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables

Item	Closing balance	Opening balance
Interest receivable	2,516,263.81	223,294.22
Dividends receivable	48,871,200.00	48,871,200.00
Other receivables	1,817,971,431.37	1,494,966,691.51
Total	1,869,358,895.18	1,544,061,185.73

2.1 Interest receivable

Item	Closing balance	Opening balance
Interest on Certificate of Deposit and internal borrowing	2,516,263.81	223,294.22

2.2 Dividends receivable

Item	Closing balance	Opening balance
Dividends receivable	48,871,200.00	48,871,200.00

2.3 Other receivables

(1) Classification of other receivables by nature of payment

Nature of payment	Closing book balance	Opening book balance
Transactions with subsidiaries	1,495,947,568.87	1,109,389,995.37
Deposit and guarantee advances for utilities, etc.	247,067,729.84	294,141,357.6
Collection on behalf of third-party platforms	54,948,279.94	63,155,620.38
Provisional payments for receipts in lieu	88,481,713.70	92,456,259.08
Social security and provident fund payment	48,660,565.07	30,295,552.26
Maintenance fund	2,560,444.07	2,230,941.00
Reserves	910,225.75	1,522,884.01
Others	643,968.61	1,237,762.72
	2,601,911.62	2,365,786.10
Total	1,941,822,407.47	1,596,796,158.52

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XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

2.3 Other receivables (continued)

(2) Other receivables presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	1,569,942,625.98	1,303,428,429.41
1-2 years	165,779,540.41	67,138,241.56
2-3 years	53,509,843.73	194,770,686.97
More than 3 years	152,590,397.35	31,458,800.58
Including: 3-4 years	130,320,160.72	16,654,946.35
4-5 years	15,426,681.02	1,420,071.50
More than 5 years	6,843,555.61	13,383,782.73
Total	1,941,822,407.47	1,596,796,158.52

(3) Other receivables classified according to the bad debt accrual method

Category	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	1,941,822,407.47	100.00	123,850,976.10	6.38	1,817,971,431.37
Including: Aging portfolio	1,941,822,407.47	100.00	123,850,976.10	6.38	1,817,971,431.37

Category	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	1,596,796,158.52	100.00	101,829,467.01	6.38	1,494,966,691.51
Including: Aging portfolio	1,596,796,158.52	100.00	101,829,467.01	6.38	1,494,966,691.51

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

2.3 Other receivables (continued)

(3) Other receivables classified according to the bad debt accrual method (continued)

1) Bad debt provision for other receivables by portfolio

Aging	Book balance	Closing balance	
		Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	1,569,942,625.98	4,290,604.15	0.27
1-2 years	165,779,540.41	19,686,319.13	11.87
2-3 years	53,509,843.73	18,702,043.63	34.95
More than 3 years	152,590,397.35	81,172,009.19	53.20
Including: 3-4 years	130,320,160.72	65,605,515.41	50.34
4-5 years	15,426,681.02	8,722,938.17	56.54
More than 5 years	6,843,555.61	6,843,555.61	100.00
Total	1,941,822,407.47	123,850,976.10	-

(4) Provisions for bad debts that are made, recovered or reversed for the year in respect of other receivables

Category	Opening balance	Accrual	Amount of change in current year			Closing balance
			Recovery or reversal	Charge off or write-off	Others	
Provision for bad debts by portfolio	101,829,467.01	22,040,387.24	0.00	18,878.15	0.00	123,850,976.10

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XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

2.3 Other receivables (continued)

(5) Top five other receivables with closing balances grouped by debtor

Name of entity	Nature of payment	Closing balance	Aging	Percentage of total closing balance of other receivables (%)	Closing balance of bad debt provision
Roiserv (Beijing) Technology Services Co., Ltd.	Related parties in consolidation	525,299,451.92	Within 1 year RMB525,299,451.92.	27.05	0.00
Langfang Junyi Building Materials Co., Ltd.	Deposit and guarantee	127,014,478.87	1-2 years RMB7,168,064.55. 2-3 years RMB40,000.00. 3-4 years RMB119,806,414.32.	6.54	60,632,013.62
Roiserv (Anhui) Lifestyle Service Co., Ltd.	Related parties in consolidation	107,983,051.83	Within 1 year RMB107,983,051.83.	5.56	0.00
Tianjin Rongshang Technology Co., Ltd.	Related parties in consolidation	96,781,205.58	Within 1 year RMB96,781,205.58.	4.98	0.00
Sizhong Internet (Beijing) Network Technology Co., Ltd.	Collection on behalf of third-party platforms	84,734,869.05	Within 1 year RMB16,494,530.34. 1-2 years RMB34,245,917.65. 2-3years RMB33,994,701.94. 4-5 years RMB 3,122.13.	4.36	18,008,811.23
Total	-	941,813,057.25	-	48.49	78,640,824.85

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investments

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	132,957,915.30	0.00	132,957,915.30	132,043,210.39	0.00	132,043,210.39
Investments in associates and joint ventures	95,229,370.04	0.00	95,229,370.04	103,696,621.40	0.00	103,696,621.40
Total	228,187,285.34	0.00	228,187,285.34	235,739,831.79	0.00	235,739,831.79

(1) Investments in subsidiaries

Investee	Opening balance (Book value)	Opening balance for provision of impairment	Changes in current year				Others	Closing balance (Book value)	Closing balance of provision for impairment
			Additional investments	Reduced investment	Provision for impairment				
Nanjing Liuhe RiseSun Property Service Co., Ltd.	3,000,000.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00	0.00	
Shijiazhuang Shengjing Fitness Service Co., Ltd.	100,000.00	0.00	0.00	0.00	0.00	0.00	100,000.00	0.00	
Roiserv (Shandong) Property Development Co., Ltd.	5,000,000.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00	0.00	
Hohhot RiseSun Property Service Co., Ltd.	500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	0.00	
Langfang Rongxin Real Estate Brokerage Co., Ltd.	510,000.00	0.00	0.00	0.00	0.00	0.00	510,000.00	0.00	
Langfang Rongzhen Trading Co., Ltd.	3,000,000.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00	0.00	
Sichuan Roiserv Shengxin Property Service Co., Ltd.	200,000.00	0.00	0.00	0.00	0.00	0.00	200,000.00	0.00	
Shanxi Roiserv Lifestyle Service Co., Ltd.	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00	0.00	
Henan Roiserv Lifestyle Service Co., Ltd.	200,000.00	0.00	0.00	0.00	0.00	0.00	200,000.00	0.00	
Roiserv (Guangdong) Lifestyle Service Co., Ltd.	2,200,000.00	0.00	0.00	0.00	0.00	0.00	2,200,000.00	0.00	
Cangzhou Rongguang Construction Engineering Co., Ltd.	1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	
Shijiazhuang Rongqi Real Estate Brokerage Co., Ltd.	1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	
Roiserv (Beijing) Technology Services Co., Ltd.	1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	
Tianjin Rongshang Technology Co., Ltd.	30,000,000.00	0.00	0.00	0.00	0.00	0.00	30,000,000.00	0.00	
Tianjin Roiserv Lifestyle Service Co., Ltd.	3,000,000.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00	0.00	

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XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance (Book value)	Opening balance for provision of impairment	Additional investments	Changes in current year			Closing balance (Book value)	Closing balance of provision for impairment
				Reduced investment	Provision for impairment	Others		
Langfang Rongrui Property Management Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Baoding Rongrun Property Service Co., Ltd.	255,000.00	0.00	0.00	0.00	0.00	0.00	255,000.00	0.00
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	1,530,000.00	0.00	0.00	0.00	0.00	0.00	1,530,000.00	0.00
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	1,400,000.00	0.00	0.00	1,400,000.00	0.00	0.00	0.00	0.00
Zhangjiakou Rongmeng Property Management Co., Ltd.	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00
Zhangjiakou Rongguanyue Property Management Co., Ltd.	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00
Beijing Manbeilun Cosmetics Co., Ltd.	202,000.00	0.00	0.00	202,000.00	0.00	0.00	0.00	0.00
Roiserv (Shijiazhuang) Property Service Co., Ltd.	100,000.00	0.00	0.00	0.00	0.00	0.00	100,000.00	0.00
Roiserv (Langfang) Lifestyle Service Co., Ltd.	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00
Hebei Jinxiang Property Group Co., Ltd.	41,023,750.96	0.00	0.00	0.00	0.00	0.00	41,023,750.96	0.00
Wanjia Smart Environment (Beijing) Co., Ltd.	5,818,654.95	0.00	0.00	0.00	0.00	0.00	5,818,654.95	0.00
Hebei Wanhuitong Energy Technology Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	5,788,672.01	0.00	0.00	0.00	0.00	0.00	5,788,672.01	0.00
Hebei Zhenhao Security Service Co., Ltd.	23,165,132.47	0.00	0.00	0.00	0.00	0.00	23,165,132.47	0.00
Huaihua Rongan Property Service Co., Ltd.	0.00	0.00	350,000.00	0.00	0.00	0.00	350,000.00	0.00
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	0.00	0.00	0.00	0.00	0.00	2,166,704.91	2,166,704.91	0.00
Total	132,043,210.39	0.00	350,000.00	1,602,000.00	0.00	2,166,704.91	132,957,915.30	0.00

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investments (continued)

(2) Investments in associates and joint ventures

Investee	Opening balance (Book value)	Opening balance for provision of impairment	Additional investments	Reduced investment	Gains or losses recognized on investments under the equity method	Changes in current year					Closing balance (Book value)	Closing balance of provision for impairment
						Adjustment to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
I. Joint ventures												
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	1,921,122.02	0.00	0.00	0.00	245,582.89	0.00	0.00	0.00	0.00	-2,166,704.91	0.00	0.00
II. Associates												
Beijing Yinsiang Information Technology Co., Ltd.	101,775,499.38	0.00	0.00	0.00	-6,546,129.34	0.00	0.00	0.00	0.00	0.00	95,229,370.04	0.00
Total	103,696,621.40	0.00	0.00	0.00	-6,300,546.45	0.00	0.00	0.00	0.00	-2,166,704.91	95,229,370.04	0.00

4. Operating revenue & operating cost

Item	Current year amount		Prior year amount	
	Revenue	Cost	Revenue	Cost
Main operations	1,208,857,013.33	935,571,210.41	1,238,257,110.20	948,871,263.92
Other operations	1,020,509.40	583,315.96	8,420,454.49	8,537,035.10
Total	1,209,877,522.73	936,154,526.37	1,246,677,564.69	957,408,299.02

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2025 – December 31, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

5. Investment income

Item	Current year amount	Prior year amount
Investment income from long-term equity investments accounted for under the equity method	-6,300,546.45	-429,777.32
Investment income from disposal of long-term equity investments	-1,825,126.23	203,791.62
Gain from debt restructuring	-9,039,021.49	0.00
Total	-17,164,694.17	-225,985.70

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

1. BREAKDOWN OF NON-RECURRING GAINS AND LOSSES FOR THE YEAR

Item	Current year amount	Note
Gains or losses on disposal of non-current assets (including the write-off of provision for impairment of assets)	-541,743.20	
Government grants recognised in profit or loss for the period (other than those that are closely related to the Company's normal business operations, in compliance with national policies and regulations, and in accordance with established standards, and with a continuing impact on the Company's profit or loss)	1,524,386.53	
Gains arising when the cost of the Company's investment in subsidiaries, associates and joint ventures is less than the share of the fair value of the investee's identifiable net assets at the time the investment is acquired	0.00	
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control	0.00	
Gains and losses on debt restructuring	-10,848,265.27	
Gains or losses arising from changes in fair value of investment properties subsequently measured using the fair value model	-800,426.04	
Investment income from long-term equity investments accounted for under the equity method	-6,450,546.45	
Investment income from disposal of long-term equity investments	-2,128.71	
Other non-operating income and expenses other than those mentioned above	-7,345,399.17	
Other items of gain or loss that meet the definition of non-recurring gain or loss	0.00	
Subtotal	-24,464,122.31	
Less: Amount affected by income tax	-6,116,030.58	
Amount affected by non-controlling interests (after tax)	-231,312.96	
Total	-18,116,778.77	-

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent company	5.02	0.30	0.30
Net income attributable to ordinary shareholders of the parent company after deducting non-recurring gains and losses	5.80	0.35	0.35

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED INCOME STATEMENT	2025 RMB'000	Year ended December 31,			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	1,912,959	1,956,932	1,831,897	2,014,870	2,563,486
Total profit	158,343	146,886	166,659	325,400	522,059
Income tax expenses	37,328	30,804	35,967	79,824	124,509
Profit (loss) for the year	121,016	116,082	130,692	245,576	397,550
Profit (loss) for the year attributable to:					
– Owners of the Company	112,609	113,814	126,328	242,127	398,954
– Non-controlling interests	8,407	2,268	4,364	3,448	-1,404
Profit before income tax	158,343	146,886	166,659	325,400	522,059
Income tax expenses	37,328	30,804	35,967	79,824	124,509
Profit for the year	121,016	116,082	130,692	245,576	397,550
Attributable to:					
Owners of the Company	112,609	113,814	126,328	242,127	398,954
Non-controlling interests	8,407	2,268	4,364	3,448	-1,404
Total	121,016	116,082	130,692	245,576	397,550
Earnings per share (expressed in RMB per share)					
Basic and diluted earnings per share	0.30	0.30	0.34	0.64	1.06

CONSOLIDATED BALANCE SHEET	2025 RMB'000	As of December 31,			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Assets					
Non-current assets	393,134	396,848	342,879	324,347	258,048
Current assets	3,916,936	3,777,249	3,811,346	3,728,383	3,514,571
Total assets	4,310,070	4,174,097	4,154,225	4,052,730	3,772,619
Equity and liabilities					
Total equity	2,330,295	2,207,927	2,093,117	2,099,392	1,966,390
Non-current liabilities	11,146	24,222	18,086	18,361	13,017
Current liabilities	1,968,632	1,941,949	2,043,022	1,934,978	1,793,213
Total liabilities	1,979,778	1,966,171	2,061,108	1,953,339	1,806,229
Total equity and liabilities	4,310,070	4,174,097	4,154,225	4,052,730	3,772,619

GLOSSARY AND DEFINITIONS

“AGM”	the annual general meeting of the Company to be convened and held on Friday, June 26, 2026
“Articles of Association”	the articles of association of the Company
“Audit Committee”	the audit committee of the Company
“Director(s)”	the director(s) of the Company
“Board”	the board of Directors of the Company
“CASBE”	the China Accounting Standards for Business Enterprises
“China” or “PRC”	the People’s Republic of China
“Company” or “Roiserv”	Roiserv Lifestyle Services Co., Ltd. (榮萬家生活服務股份有限公司) (formerly known as Rongwanjia Life Services Co., Ltd.* (榮萬家生活服務有限公司) and Langfang RiseSun Property Services Company Limited* (廊坊榮盛物業服務有限公司)), a limited liability company established in the PRC on November 2, 2000, the H shares of which are listed on the main board of the Stock Exchange (stock code: 2146)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to RiseSun Real Estate Development, RiseSun Holdings, RiseSun Construction Engineering and Mr. Geng
“Corporate Governance Code”	the corporate governance code set out in Part 2 of Appendix C1 to the Listing Rules
“GFA”	gross floor area
“Group”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	the overseas-listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the Company on the Main Board of the Stock Exchange on January 15, 2021
“Listing Date”	January 15, 2021, the date on which dealings in the H Shares first commence on the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“Mr. Geng”	Mr. Geng Jianming (耿建明), the ultimate Controlling Shareholder and the brother of Mr. Geng Jianfu, the chairman of our Board and the executive Director
“Nomination Committee”	the nomination committee of the Company
“non-GAAP”	non-generally accepted accounting principles
“Prospectus”	the prospectus of the Company dated December 31, 2021 issued in respect of the Listing
“Register of Members”	the register of members of the Company
“Relevant Year”	the year ended December 31, 2025
“Remuneration Committee”	the remuneration committee of the Company
“RiseSun Construction Engineering”	榮盛建設工程有限公司 (RiseSun Construction Engineering Co., Ltd.*), a limited liability company established in the PRC on November 12, 1998 and one of the Controlling Shareholders
“RiseSun Group”	RiseSun Real Estate Development and its subsidiaries, which exclude the Group
“RiseSun Holdings”	RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司), a joint stock company with limited liability established in the PRC on July 31, 2002 and one of the Controlling Shareholders
“RiseSun Holdings Group”	RiseSun Holdings and its subsidiaries, which exclude the Group
“RiseSun Real Estate Development”	榮盛房地產發展股份有限公司 (RiseSun Real Estate Development Co., Ltd.*) (formerly known as 廊坊開發區榮盛房地產開發有限公司 (RiseSun Property Development Co., Ltd.*)), a joint stock company with limited liability established in the PRC on December 30, 1996, listed on the Shenzhen Stock Exchange (stock code: 002146) and one of the Controlling Shareholders
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

GLOSSARY AND DEFINITIONS

“Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Shares
“Shengyide Commercial”	香河盛繹德商務信息諮詢中心(有限合夥)(Xianghe Shengyide Business Information Consulting Center (Limited Partnership)), a limited partnership established in the PRC on May 13, 2021 and one of the Shareholders
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Zhonghong Kaisheng”	河北中鴻凱盛投資股份有限公司 (Hebei Zhonghong Kaisheng Investment Co., Ltd.*), a joint stock company with limited liability established in the PRC on December 12, 2015 and one of the Shareholders
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent