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Powerlong Commercial Management Holdings Limited

寶龍商業管理控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9909)

(1) 2025 ANNUAL RESULTS ANNOUNCEMENT; AND (2) ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

SUMMARY OF RESULTS

- Revenue of the Group for the year ended 31 December 2025 amounted to approximately RMB2,607.6 million, representing a decrease of approximately 0.4% as compared with approximately RMB2,617.3 million for the year ended 31 December 2024.
- Gross profit of the Group for the year ended 31 December 2025 amounted to approximately RMB813.7 million, representing a decrease of approximately 2.4% as compared with approximately RMB834.0 million for the year ended 31 December 2024.
- Gross profit margin of the Group for the year ended 31 December 2025 amounted to approximately 31.2%, representing a decrease of approximately 0.7 percentage point as compared with approximately 31.9% for the year ended 31 December 2024.
- The Group's profit attributable to shareholders of the Company ("**Shareholders**") for the year ended 31 December 2025 amounted to approximately RMB233.5 million, representing an increase of approximately 8.1% as compared with approximately RMB216.0 million for the year ended 31 December 2024.
- As at 31 December 2025, the contracted gross floor area ("**GFA**")^{Note 1} of the Group's commercial operational services segment amounted to approximately 13.7 million square meters ("**sq.m.**"); and the GFA in operation of the Group's commercial operational services segment amounted to approximately 11.1 million sq.m..

Note 1: Unless otherwise stated, all "GFA" of commercial properties referred to in this announcement include car parks.

ANNUAL RESULTS

The board of directors (the “**Board**”) of Powerlong Commercial Management Holdings Limited (the “**Company**” or “**Powerlong CM**”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024, as follows.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Revenue	4(a)	2,607,608	2,617,305
Cost of services		(1,793,912)	(1,783,353)
Gross profit		813,696	833,952
Selling and marketing expenses		(110,212)	(128,476)
Administrative expenses		(281,154)	(174,375)
Other income and other losses – net	5	44,293	35,894
Gain on early termination of lease		86,185	–
Gain on disposal of a subsidiary		47,666	–
Loss on de-consolidation of a subsidiary		(1,113)	–
Provision for claim		(38,187)	–
Impairment losses on financial assets – net		(232,429)	(219,441)
Impairment losses on investment properties		(2,210)	–
Impairment loss on investment in an associate		(12,388)	–
Investment gain/(loss)-net		3,038	(629)
Operating profit		317,185	346,925
Finance costs		(33,711)	(70,673)
Finance income		38,633	51,477
Finance income/ (costs) – net		4,922	(19,196)
Share of results of joint ventures		(14)	35
Share of results of associates		3,134	3,176
Profit before income tax		325,227	330,940
Income tax expenses	6	(93,252)	(106,555)
Profit and total comprehensive income for the year		231,975	224,385
Profit and total comprehensive income attributable to:			
– Shareholders of the Company		233,516	216,016
– Non-controlling interests		(1,541)	8,369
		231,975	224,385
Earnings per share for profit attributable to shareholders of the Company for the year (expressed in RMB cents per share)			
– Basic earnings per share	7	36.32	33.89
– Diluted earnings per share	7	36.32	33.89

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property and equipment		30,768	45,307
Financial assets at fair value through profit and loss		9,999	9,261
Investment properties		463,244	972,085
Deferred income tax assets		187,903	158,198
Goodwill		20,640	20,640
Intangible assets		3,058	4,281
Interests in joint ventures		993	807
Interests in associates		41,605	50,859
		<u>758,210</u>	<u>1,261,438</u>
Current assets			
Inventories		9,001	10,620
Operating lease and trade receivables	9	421,132	413,173
Prepayments and other receivables		148,885	223,583
Current income tax recoverables		134	134
Cash and bank balances		4,478,046	4,131,562
		<u>5,057,198</u>	<u>4,779,072</u>
Total assets		<u>5,815,408</u>	<u>6,040,510</u>

CONSOLIDATED BALANCE SHEET (continued)

		As at 31 December	
		2025	2024
	<i>Note</i>	RMB'000	RMB'000
EQUITY			
Share capital and share premium		1,014,085	1,004,400
Other reserves		23,617	29,869
Retained earnings		2,415,415	2,181,899
		<hr/>	<hr/>
Capital and reserves attributable to shareholders of the Company		3,453,117	3,216,168
		<hr/>	<hr/>
Non-controlling interests		6,899	8,640
		<hr/>	<hr/>
Total equity		3,460,016	3,224,808
		<hr/>	<hr/>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		1,281	722
Lease liabilities		524,152	1,187,789
		<hr/>	<hr/>
		525,433	1,188,511
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	<i>10</i>	1,168,201	1,028,913
Advances from lessees		33,968	37,828
Current income tax liabilities		262,599	203,259
Lease liabilities		81,671	82,909
Contract liabilities	<i>4(b)</i>	283,520	274,282
		<hr/>	<hr/>
		1,829,959	1,627,191
		<hr/>	<hr/>
Total liabilities		2,355,392	2,815,702
		<hr/>	<hr/>
Total equity and liabilities		5,815,408	6,040,510
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Powerlong Commercial Management Holdings Limited (the “**Company**”) was established in the Cayman Islands on 25 March 2019 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (the “**Group**”) are primarily engaged in the provision of commercial operational services and residential property management services in the People’s Republic of China (the “**PRC**”).

The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2019.

The Company’s direct holding company is Powerlong Real Estate (BVI) Holdings Limited (“**Powerlong BVI Holdings**”). The Company’s indirect holding company is Powerlong Real Estate Holdings Limited (“**Powerlong Holdings**”) whose shares have been listed on the Main Board of the Stock Exchange since 14 October 2009. As at 31 December 2025, Mr. Hoi Kin Hong (“**Mr. Hoi**”) was interested in approximately 44.15% of the issued share capital of Powerlong Holdings. In the opinion of the directors of the Company, the ultimate holding company of the Group is Skylong Family Limited, a company incorporated in the British Virgin Islands and the ultimate controlling party of the Group is Mr. Hoi.

Powerlong Holdings and its subsidiaries exclusive of the Group are collectively referred to as the “**Remaining Powerlong Group**” in these consolidated financial statements.

These consolidated financial statements are presented in thousand Renminbi (“**RMB’000**”), which is the functional currency of the Company.

2 BASIS OF PREPARATION AND APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Basis of preparation

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

These consolidated financial statements have been prepared on the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

(i) *Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(ii) *Amendments to HKFRS Accounting Standards that are not mandatorily for the current year*

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKAS 21 HKFRS 18	Translation on a Hyperinflationary Presentation Currency ³ Presentation and Disclosure in Financial Statements ³

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

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

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3 SEGMENT INFORMATION

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

The Group has two business segments:

– Commercial operational services

The Group is engaged in the provision of (a) market research and positioning, business tenant sourcing and opening preparation services; (b) commercial operational services during the operation stage, including business tenant management, rent collection services and other value-added services (mainly including car parks, common areas and advertising space management services); and (c) commercial property management services including security, gardening, cleaning, repair and maintenance services.

Besides, to maximise its commercial operational efficiency, the Group leased certain retail commercial properties leased from third parties located in proximity to the shopping malls that are under management by the Group, and sub-leased them for long-term rental yield.

– Residential property management services

The Group provides property management services for residential properties, serviced apartments and office buildings, including pre-sale management services and other value-added services to property developers, property owners and residents.

As the CODM considers most of the Group’s consolidated revenue and results are attributable to the market in the PRC and the Group’s consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

- (a) Segment results represent the profit earned by each segment without other income and other losses – net, unallocated operating costs, finance (costs)/income – net, share of results of joint ventures and associates and income tax expenses. Revenue recognised at a point in time from contracts with customers represents revenue from market research and positioning services. Other revenue from contracts with customers is recognised over time. The following is the analysis of the Group’s revenue and results by operating and reportable segments:

For the year ended 31 December 2025

	Commercial operational services RMB'000	Residential property management services RMB'000	Group RMB'000
Gross segment revenue	<u>2,099,133</u>	<u>508,475</u>	<u>2,607,608</u>
Revenue from contracts with customers	1,898,744	508,475	2,407,219
– at a point in time	<u>33,133</u>	<u>–</u>	<u>33,133</u>
– over time	<u>1,865,611</u>	<u>508,475</u>	<u>2,374,086</u>
Revenue from other sources			
– rental income	200,389	–	200,389
Segment results	211,981	47,790	259,771
Other income and other losses – net			44,293
Gain on early termination of lease			86,185
Gain on disposal a subsidiary			47,666
Loss on de-consolidation of a subsidiary			(1,113)
Provision for claim			(38,187)
Unallocated operating costs			(81,430)
Finance costs			(33,711)
Finance income			38,633
Share of results of joint ventures			(14)
Share of results of associates			<u>3,134</u>
Profit before income tax			325,227
Income tax expenses			<u>(93,252)</u>
Profit for the year			<u>231,975</u>
Amounts included in the measure of segment results:			
Depreciation and amortisation	<u>75,705</u>	<u>1,710</u>	<u>77,415</u>
Impairment losses on financial assets-net	<u>189,523</u>	<u>42,906</u>	<u>232,429</u>
Impairment losses on investment properties	<u>2,210</u>		<u>2,210</u>
Impairment loss on investment in an associate	<u>12,388</u>		<u>12,388</u>

For the year ended 31 December 2024

	Commercial operational services <i>RMB'000</i>	Residential property management services <i>RMB'000</i>	Group <i>RMB'000</i>
Gross segment revenue	2,140,138	477,167	2,617,305
Revenue from contracts with customers	1,933,683	477,167	2,410,850
– at a point in time	32,345	–	32,345
– over time	1,901,338	477,167	2,378,505
Revenue from other sources			
– rental income	206,455	–	206,455
Segment results	313,636	62,112	375,748
Other income and other losses – net			35,894
Unallocated operating costs			(64,717)
Finance costs			(70,673)
Finance income			51,477
Share of results of joint ventures			35
Share of results of associates			3,176
Profit before income tax			330,940
Income tax expenses			(106,555)
Profit for the year			224,385
Amounts included in the measure of segment results:			
Depreciation and amortisation	114,038	3,287	117,325
Impairment losses on financial assets- net	156,599	62,842	219,441

(b) The following is the analysis of the Group's segment assets and liabilities and capital expenditure:

As at 31 December 2025

	Commercial operational services <i>RMB'000</i>	Residential property management services <i>RMB'000</i>	Elimination <i>RMB'000</i>	Group <i>RMB'000</i>
Segment assets	869,206	368,257	(6,778)	1,230,685
Other assets				4,584,723
Total assets				5,815,408
Segment liabilities	1,649,647	411,895	(6,778)	2,054,764
Other liabilities				300,628
Total liabilities				2,355,392
Capital expenditure	40,971	1,536	–	42,507

As at 31 December 2024

	Commercial operational services <i>RMB'000</i>	Residential property management services <i>RMB'000</i>	Elimination <i>RMB'000</i>	Group <i>RMB'000</i>
Segment assets	1,601,230	280,619	(7,026)	1,874,823
Other assets				<u>4,165,687</u>
Total assets				<u>6,040,510</u>
Segment liabilities	2,274,910	335,487	(7,026)	2,603,371
Other liabilities				<u>212,331</u>
Total liabilities				<u>2,815,702</u>
Capital expenditure	<u>334,950</u>	<u>2,050</u>	<u>–</u>	<u>337,000</u>

Segment assets are reconciled to total assets as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Segment assets	1,230,685	1,874,823
Other assets		
Current income tax recoverables	134	134
Deferred income tax assets	187,903	158,198
Unallocated cash and bank balances	4,343,973	3,946,383
Unallocated property and equipment	116	45
Other corporate assets	42,598	51,666
Financial assets at fair value through profit and loss	9,999	9,261
Total assets	<u>5,815,408</u>	<u>6,040,510</u>

Segment liabilities are reconciled to total liabilities as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Segment liabilities	2,054,764	2,603,371
Other liabilities		
Current income tax liabilities	262,599	203,259
Deferred income tax liabilities	1,281	722
Other corporate liabilities	36,748	8,350
Total liabilities	<u>2,355,392</u>	<u>2,815,702</u>

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment.

Segment assets consist primarily of property and equipment, investment properties, intangible assets, receivables from commercial and residential property management services and cash and bank balances other than current income tax recoverables, deferred income tax assets, unallocated cash and bank balances, unallocated property and equipment, other corporate assets and financial assets at fair value through profit or loss.

Segment liabilities consist primarily of trade and other payables, lease liabilities, contract liabilities and advances from lessees other than current income tax liabilities, deferred income tax liabilities and other corporate liabilities.

Capital expenditure comprises additions to property and equipment, investment properties and intangible assets.

4 REVENUE

(a) Revenue of the Group for the year ended 31 December 2025 is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Type of services		
<i>Rental income:</i>		
– Commercial property lease services	<u>200,389</u>	<u>206,455</u>
<i>Revenue from customer:</i>		
– Commercial operational services		
– Market research and positioning, business tenant sourcing, opening preparation services	54,255	70,480
– Commercial operation and management services	1,844,489	1,863,203
– Commercial operation service during the operation stage	692,040	716,482
– Commercial property management service	1,152,449	1,146,721
	<u>1,898,744</u>	<u>1,933,683</u>
– Residential property management services		
– Pre-sale management services	1,057	1,189
– Property management services	409,141	378,759
– Other value-added services	98,277	97,219
	<u>508,475</u>	<u>477,167</u>
	<u>2,607,608</u>	<u>2,617,305</u>
Type of customers		
External customers (i)	2,372,738	2,360,512
Fellow subsidiaries (ii)	222,895	230,611
Other related parties (iii)	11,975	26,182
	<u>2,607,608</u>	<u>2,617,305</u>

- (i) External customers represented independent third parties.
 - (ii) For the year ended 31 December 2025, revenue arising from the Remaining Powerlong Group and other entities controlled by Mr. Hoi (the “**Fellow Subsidiaries**”) contributed 8.5% of the Group’s revenue (2024: 8.8%). Other than the Fellow Subsidiaries, the Group has a large number of customers, none of whom contributed 10% or more of the Group’s revenue during the year (2024: none).
 - (iii) Other related parties represented associates or jointly controlled entities of the Remaining Powerlong Group.
- (b) Liabilities related to contracts with customers

	As at 31 December	
	2025	2024
	RMB’000	RMB’000
Contract liabilities	283,520	274,282

Contract liabilities of the Group mainly arose from the advance payments made by the customers while the underlying services are yet to be provided.

- (i) *Revenue recognised in relation to contract liabilities*

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

	Year ended 31 December	
	2025	2024
	RMB’000	RMB’000
Revenue recognised that was included in the contract liability balance at the beginning of the year		
– Commercial operational services	176,511	216,719
– Residential property management services	94,656	72,048
	271,167	288,767

- (ii) *Unsatisfied performance obligations*

For commercial operational services and residential property management services, the Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group’s performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts and property developer-related services do not have a fixed term. The term of the contracts for other value-added services is generally set to expire when the counterparties notify the Group several months in advance that the services are no longer required.

5 OTHER INCOME AND OTHER LOSSES – NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Other income		
Penalty income	48,387	25,725
Government grants	8,465	8,387
Others	3,114	5,015
	<u>59,966</u>	<u>39,127</u>
Other losses		
Foreign exchange losses	(323)	(3,233)
Penalty expenses	(15,350)	–
	<u>(15,673)</u>	<u>(3,233)</u>
	<u>44,293</u>	<u>35,894</u>

6 INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– PRC corporate income tax	122,398	173,139
Deferred income tax		
– PRC corporate income tax	(29,146)	(66,584)
	<u>93,252</u>	<u>106,555</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group entities as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	<u>325,227</u>	<u>330,940</u>
Tax charge at statutory tax rate of 25% to profits in the respective group entities	81,306	82,735
Tax effects of:		
– Share of results of joint ventures	3	29
– Share of results of associates	(783)	906
– Expenses not deductible for tax purposes	1,079	913
– Unused tax losses not recognised	12,238	21,972
Over provision in prior year	<u>(591)</u>	<u>–</u>
PRC corporate income tax	<u>93,252</u>	<u>106,555</u>

The effective income tax rate was 28.7% and 32.2% for the years ended 31 December 2025 and 31 December 2024 respectively.

PRC corporate income tax

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

The general corporate income tax rate in the PRC is 25%.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 of Cayman Islands and pursuant to the rules and regulations of Cayman Islands, the Company is not subject to any income tax. The Company's subsidiaries in the British Virgin Islands were incorporated under the International Business Companies Act (as amended) of the British Virgin Islands and, accordingly are exempted from British Virgin Islands income tax.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong during the year ended 31 December 2025 (2024: nil). The profit of the group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

PRC withholding income tax

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

7 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2025.

	Year ended 31 December	
	2025	2024
Earnings (RMB'000)		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	<u>233,516</u>	<u>216,016</u>
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>642,900</u>	<u>637,419</u>
Basic earnings per share (RMB cents per share)	<u>36.32</u>	<u>33.89</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Year ended 31 December	
	2025	2024
Earnings (RMB'000)		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	<u>233,516</u>	<u>216,016</u>
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>642,900</u>	<u>637,419</u>
Diluted earnings per share (RMB cents per share)	<u>36.32</u>	<u>33.89</u>

8 DIVIDEND

No final dividend in respect of the year ended 31 December 2025 was proposed by the Board (year ended 31 December 2024: nil).

9 OPERATING LEASE AND TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Operating lease receivables (<i>Note (a)</i>)		
– Third parties	<u>13,410</u>	<u>15,937</u>
Trade receivables (<i>Note (a)</i>)		
– Related parties	537,525	371,819
– Third parties	<u>304,072</u>	<u>262,604</u>
	<u>841,597</u>	<u>634,423</u>
Less: allowance for impairment of trade receivables (<i>Note (b)</i>)	<u>(433,875)</u>	<u>(237,187)</u>
	<u>421,132</u>	<u>413,173</u>

- (a) The Group's revenue is derived from provision of commercial operational services, residential property management services and lease of properties. Proceeds in respect of service rendering and rental income are to be received in accordance with the terms of relevant property service agreements and tenant contracts. Generally, no credit period is granted.

As at the respective balance sheet date, the ageing analysis of the gross carrying amount of the trade receivables due from related parties based on the demand note dates is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	197,389	264,149
1-2 years	<u>340,136</u>	<u>107,670</u>
	<u>537,525</u>	<u>371,819</u>

As at the respective balance sheet date, the aging analysis of the operating lease and trade receivables due from third parties based on the demand note dates is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	125,221	141,537
1-2 years	75,456	65,227
2-3 years	58,694	33,085
Over 3 years	<u>58,111</u>	<u>38,692</u>
	<u>317,482</u>	<u>278,541</u>

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB433,875,000 was made against the gross amounts of operating lease and trade receivables (31 December 2024: RMB237,187,000).
- (c) As at 31 December 2025 and 31 December 2024, the operating lease and trade receivables were denominated in RMB, and the fair values approximated their carrying amounts.

10 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables		
– Related parties	8	510
– Third parties	<u>174,135</u>	<u>153,773</u>
	<u>174,143</u>	<u>154,283</u>
Other payables		
– Related parties	190,461	136,050
– Payables for promotion fees on behalf of owners of the commercial properties (<i>Note (a)</i>)	37,100	35,473
– Receipts on behalf of tenants or residents (<i>Note (b)</i>)	87,727	73,735
– Deposits received (<i>Note (c)</i>)	531,649	535,312
– Provision for claim	38,187	–
– Others	<u>3,640</u>	<u>8,350</u>
	<u>888,764</u>	<u>788,920</u>
Accrued payroll	74,730	68,508
Other taxes payables	<u>30,564</u>	<u>17,202</u>
	<u>1,168,201</u>	<u>1,028,913</u>

- (a) The balance represented the receipts on behalf of owners of commercial properties to settle the expenses relating to promotion and marketing activities of car parks, common areas and advertising spaces.
- (b) Amounts represented the receipts on behalf of tenants or residents to settle the bills of utilities charges.
- (c) Amounts mainly represented deposits received from tenants as performance securities in relation to tenant agreements or property management service agreements.

- (d) As at 31 December 2025 and 2024, the carrying amounts of trade and other payables approximated their fair values.
- (e) As at the respective balance sheet date, the ageing analysis of the trade payables (including amounts due to related parties) based on invoice dates is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	160,768	138,993
1 to 2 years	3,809	6,175
2 to 3 years	5,181	6,755
Over 3 years	4,385	2,360
	174,143	154,283

- (f) Trade and other payables (excluding accrued payroll and other tax payables) were denominated in the following currencies:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	1,062,907	943,203

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a leading commercial operational services provider in the People's Republic of China (“China” or the “PRC”). As at 31 December 2025, the Group had 96 retail commercial properties in operation, with an aggregate GFA in operation of approximately 11.1 million sq.m. The Group had 121 retail commercial properties with an aggregate contracted GFA of approximately 13.7 million sq.m. for which the Group had been contracted to provide commercial operational services. The Company enjoys strong brand recognition in its operating markets. The Company was awarded various honors in 2025, such as Leading Enterprise Award in Commercial of the Year (年度商業領軍企業) and 2025 Retail Commercial Real Estate Enterprise TOP100 (2025年度零售商業地產企業綜合實力TOP100) awarded by Winshang.com (贏商網), 2025 Brand Influential Enterprises (2025年品牌影響力企業) awarded by Leju Financial (樂居財經), and List of Excellence in New Quality Operational Commercial Management Companies of the Year 2025 (2025年度新質運營商管公司卓越榜) awarded by mallchina.org (中購聯).

The Group also provides property management services for residential properties, office buildings and serviced apartments. As at 31 December 2025, the Group had 129 delivered projects in relation to its residential property management services with an aggregate GFA delivered of approximately 24.1 million sq.m., and was contracted to manage 137 projects with an aggregate contracted GFA of approximately 30.1 million sq.m.

With the mission of “creating space full of love”, the Group adheres to its corporate philosophy of “simple, truthful, prosper together, forward forever”, with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.

BUSINESS REVIEW

For the year ended 31 December 2025, the Group mainly conducted its business activities in the following business segments, namely (i) commercial operational services; and (ii) residential property management services. The Group's revenue was mainly derived from its commercial operational services.

Commercial operational services: The Group provided full-chain services covering positioning, tenant sourcing, opening, operation and management to shopping malls and shopping streets.

It primarily included:

- (i) Market research and positioning, tenant sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of a retail commercial property;
- (ii) Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property; and
- (iii) Property leasing services with respect to units located within the shopping streets and shopping malls.

The management models of the retail commercial properties undertaken by the Group include the following four models:

1. Entrusted operation and management

The owner entrusts the operation and management of the retail commercial properties to the Group, and the operating costs of the projects are borne by the Group. The owners receive rents for shops and some income from diversified operations and parking lot operations.

The Group charges the owner: (i) advisory consultation fees before the projects are in operation; (ii) rent management fees during the operation stage of the projects i.e. a certain percentage of the rent; and (iii) brand usage fees (only for projects not developed by Powerlong Real Estate Holdings Limited (“**Powerlong Real Estate**”)).

The Group charges the tenants and consumers: (i) operation and management service fees during project operation; (ii) income from diversified operations; and (iii) parking fees.

2. Advisory consultation

The owner engages the Group as a management advisory consultant for retail commercial properties, and all income and costs of project operation are borne by the owner.

The Group charges the owner: (i) advisory consultation fees before the projects are in operation; and (ii) a certain percentage of consulting service fees during the project operation period.

3. Sub-lease services

The owner leases the retail commercial properties as a whole to the Group at a certain price, and all income and costs of project operation are borne by the Group.

The Group charges tenants and consumers: (i) rental income of projects; (ii) operation and management service fees during project operation; (iii) income from diversified operations; and (iv) parking fees.

4. Net earning sharing

The owner entrusts the retail commercial properties to the Group for operation and management, and all income and costs of project operation are borne by the Group. The Group gives a certain percentage of net income of the projects to the owner as variable rental cost.

The Group charges tenants and consumers: (i) rental income of projects; (ii) operation and management service fees during project operation; (iii) income from diversified operations; and (iv) parking fees.

Residential property management services: The Group provided property management services for residential properties, office buildings and serviced apartments.

It primarily included:

- (i) Pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance of pre-sale display units and sales offices;
- (ii) Property management services to property owners or property owners' associations at the post-delivery stages, such as security, cleaning, gardening and repair and maintenance services; and
- (iii) Other value-added services to property owners, tenants or residents of properties under management, such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services.

The table below sets forth the Company's gross profit and gross profit margin by business segment for the years indicated:

	For the year ended 31 December			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial operational services	702,427	33.5	728,721	34.1
Residential property management services	111,269	21.9	105,231	22.1
Total	813,696	31.2	833,952	31.9

COMMERCIAL OPERATIONAL SERVICES

The Group primarily provided professional commercial operational management services to property owners, tenants and consumers under four brands, namely, “Powerlong One Mall” (寶龍一城), “Powerlong City” (寶龍城), “Powerlong Plaza” (寶龍廣場) and “Powerlong Land” (寶龍天地).

For the year ended 31 December 2025, the aggregate revenue of the Group’s business segment of commercial operational services amounted to approximately RMB2,099.1 million, representing a decrease of 1.9% from approximately RMB2,140.1 million for the year ended 31 December 2024; and the Group had GFA in operation remaining at approximately 11.1 million sq.m., remaining flat as compared with the corresponding period of 2024; 96 projects in operation, representing a decrease of 2 projects from 98 projects for the corresponding period of 2024; contracted GFA of approximately 13.7 million sq.m., representing a decrease of 0.8 million sq.m. from 14.5 million sq.m. for the corresponding period of 2024.

The table below sets forth a breakdown of the aggregate GFA in operation as at the dates indicated and the revenue from commercial operational services segment for the years indicated by geographic region:

	As of/For the year ended 31 December					
	2025			2024		
	Contracted GFA <i>sq.m.</i>	GFA in operation <i>sq.m.</i>	Revenue <i>RMB</i> <i>(in thousands)</i>	Contracted GFA <i>sq.m.</i>	GFA in operation <i>sq.m.</i>	Revenue <i>RMB</i>
Yangtze River Delta ⁽¹⁾	9,224	7,413	1,502,421	9,668	7,249	1,567,162
Others ⁽²⁾	4,444	3,681	596,712	4,847	3,818	572,976
Total	13,668	11,094	2,099,133	14,515	11,067	2,140,138

Notes:

- (1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.
- (2) Comprises cities except those mentioned in (1) above.

New Projects in Operation

New retail commercial property projects added to the Group's portfolio upon opening for the year ended 31 December 2025 are shown in the following table:

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic	Source of	Manager	Management Model	Total GFA <i>(sq.m.)</i>	Shopping	Commercial	Car Park <i>(sq.m.)</i>
				Region	Project				Mall <i>(sq.m.)</i>	Street <i>(sq.m.)</i>	
<i>Powerlong Plaza</i>											
1	Wuyishan Powerlong Plaza (武夷山寶龍廣場)	May 2025	Nanjing	Others	Powerlong Real Estate	Powerlong CM	Entrusted management	67,633	40,007	9,117	18,509
2	Nanjing Jiangning Powerlong Plaza (南京江寧寶龍廣場)	December 2025	Nanjing	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	146,788	70,059	12,274	64,455
3	Yuyao Powerlong Plaza (余姚寶龍廣場)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	65,915	46,000	4,500	15,415
Sub-total								280,336	156,066	25,891	98,379
<i>Powerlong Land</i>											
1	Ningbo Wenchuangang Powerlong Land (寧波文創港寶龍天地)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	44,900	-	44,900	-
Sub-total								44,900	-	44,900	-
<i>Powerlong Xinghui</i>											
1	Huai'an Xiangyu Powerlong Land (淮安翔宇寶龍天地)	December 2025	Huai'an	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	35,606	-	35,606	-
2	Binjiang Zhongnan Lingyunli (濱江中南凌雲里)	December 2025	Hangzhou	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	20,127	-	20,127	-
Sub-total								55,733	-	55,733	-
Total								380,969	156,066	126,524	98,379

Projects for which Contracts were Terminated

The Group's retail commercial property projects for which contracts were terminated during the year ended 31 December 2025 are shown in the following table:

No.	Name of Project	Date of Termination of Contract <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
Powerlong Plaza										
1	Wuhan Qiaokou Powerlong Plaza (武漢硤口寶龍廣場)	June 2025	Wuhan	Others	Powerlong Real Estate	Entrusted management	135,300	80,000	-	55,300
2	Changshu Powerlong Plaza (常熟寶龍廣場)	August 2025	Suzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	100,300	53,500	9,800	37,000
3	Yongtai Powerlong Plaza (永泰寶龍廣場)	August 2025	Fuzhou	Others	Powerlong Real Estate	Entrusted management	62,000	51,500	2,000	8,500
4	Chongqing Fuling Powerlong Plaza (重慶涪陵寶龍廣場)	October 2025	Chongqing	Others	Third Party	Entrusted management	113,854	96,204	-	17,650
5	Yiwu Fotang Powerlong Plaza (義烏佛堂寶龍廣場)	October 2025	Yiwu	Yangtze River Delta	Third Party	Entrusted management	90,992	50,000	15,992	25,000
Sub-total							502,446	331,204	27,792	143,450
Powerlong Land										
1	Xiamen Jiangjunci (廈門將軍祠)	October 2025	Xiamen	Others	Third Party	Sublease	6,470	-	6,470	-
2	Xiamen Tangbian Powerlong Land (廈門塘邊寶龍天地)	October 2025	Xiamen	Others	Third Party	Sublease	28,475	-	28,475	-
3	Xiamen Yuanboyuan Powerlong Land (廈門園博苑寶龍天地)	October 2025	Xiamen	Others	Third Party	Sublease	14,705	-	14,705	-
4	Xiamen Wenzao Powerlong Land (廈門文灶寶龍天地)	October 2025	Xiamen	Others	Third Party	Sublease	41,658	-	41,658	-
Sub-total							91,308	-	91,308	-
Powerlong Xinghui										
1	Tiantai Cultural Center Powerlong Land (天台文化中心寶龍天地)	June 2025	Taizhou	Yangtze River Delta	Third Party	Entrusted management	18,227	-	18,227	-
2	Shaoxing Guchengbei (紹興古城北)	June 2025	Shaoxing	Yangtze River Delta	Third Party	Advisory consultation	61,549	-	61,549	-
3	Huzhou Xinyuan Powerlong Plaza (湖州鑫遠寶龍廣場)	June 2025	Huzhou	Yangtze River Delta	Third Party	Net earning sharing	80,000	60,000	-	20,000
4	Tongxiang Powerlong Plaza (桐鄉寶龍廣場)	November 2025	Jiaxing	Yangtze River Delta	Third Party	Net earning sharing	144,600	144,600	-	-
Sub-total							304,376	204,600	79,776	20,000
Total							898,130	535,804	198,876	163,450

Projects in Operation

The Group's retail commercial property projects in operation as of 31 December 2025 are shown in the following table:

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
Powerlong One Mall										
1	Xiamen Powerlong One Mall (廈門寶龍一城)	September 2018	Xiamen	Others	Powerlong Real Estate	Entrusted management	170,585	121,670	5,365	43,550
Sub-total							170,585	121,670	5,365	43,550

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
Powerlong City										
1	Shanghai Qibao Powerlong City (上海七寶寶龍城)	October 2016	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,567	70,719	12,759	67,089
2	Hangzhou Binjiang Powerlong City (杭州濱江寶龍城)	December 2016	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	295,562	140,877	37,512	117,173
3	Taizhou Jiaojiang Powerlong City (台州椒江寶龍城)	June 2022	Taizhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	149,517	94,100	20,900	34,517
Sub-total							595,646	305,696	71,171	218,779
Powerlong Plaza										
1	Fuzhou Powerlong Plaza (福州寶龍廣場)	April 2007	Fuzhou	Others	Powerlong Real Estate	Entrusted management	186,178	161,008	-	25,170
2	Qingdao Chengyang Powerlong Plaza (青島城陽寶龍廣場)	October 2009	Qingdao	Others	Powerlong Real Estate	Entrusted management	443,262	335,506	-	107,756
3	Zhengzhou Powerlong Plaza (鄭州寶龍廣場)	December 2009	Zhengzhou	Others	Powerlong Real Estate	Entrusted management	235,606	198,108	6,565	30,933
4	Bengbu Powerlong Plaza (蚌埠寶龍廣場)	December 2009	Bengbu	Yangtze River Delta	Powerlong Real Estate	Entrusted management	346,880	222,966	48,503	75,411
5	Wuxi Powerlong Plaza (無錫寶龍廣場)	October 2010	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	192,865	142,753	-	50,112
6	Anxi Powerlong Plaza (安溪寶龍廣場)	December 2010	Quanzhou	Others	Powerlong Real Estate	Entrusted management	85,374	55,489	28,034	1,851
7	Suqian Powerlong Plaza (宿遷寶龍廣場)	September 2011	Suqian	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,660	120,645	-	30,015
8	Yancheng Powerlong Plaza (鹽城寶龍廣場)	September 2011	Yancheng	Yangtze River Delta	Powerlong Real Estate	Entrusted management	199,409	135,112	29,720	34,577
9	Qingdao Jimo Powerlong Plaza (青島即墨寶龍廣場)	December 2011	Qingdao	Others	Powerlong Real Estate	Entrusted management	175,513	130,462	-	45,051
10	Luoyang Powerlong Plaza (洛陽寶龍廣場)	December 2011	Luoyang	Others	Powerlong Real Estate	Entrusted management	138,350	69,735	37,225	31,390
11	Tai'an Powerlong Plaza (泰安寶龍廣場)	September 2012	Tai'an	Others	Powerlong Real Estate	Entrusted management	118,255	102,677	-	15,578
12	Xinxiang Powerlong Plaza (新鄉寶龍廣場)	September 2012	Xinxiang	Others	Powerlong Real Estate	Entrusted management	262,690	90,321	84,394	87,975
13	Shanghai Caolu Powerlong Plaza (上海曹路寶龍廣場)	December 2013	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	81,720	57,200	-	24,520
14	Jinjiang Powerlong Plaza (晉江寶龍廣場)	December 2013	Jinjiang	Others	Powerlong Real Estate	Entrusted management	283,378	128,570	11,126	143,682
15	Hangzhou Xiasha Powerlong Plaza (杭州下沙寶龍廣場)	November 2014	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	98,660	15,575	10,323	72,762
16	Chongqing Hechuan Powerlong Plaza (重慶合川寶龍廣場)	December 2014	Chongqing	Others	Powerlong Real Estate	Entrusted management	147,403	103,793	-	43,610
17	Tianjin Yujiapu Powerlong Plaza (天津于家堡寶龍廣場) ⁽¹⁾	December 2014	Tianjin	Others	Powerlong Real Estate	Entrusted management	162,836	87,613	-	75,223
18	Jiaozhou Powerlong Plaza (膠州寶龍廣場)	February 2015	Qingdao	Others	Powerlong Real Estate	Entrusted management	164,772	75,224	27,002	62,546
19	Zhenjiang Powerlong Plaza (鎮江寶龍廣場)	September 2015	Zhenjiang	Yangtze River Delta	Powerlong Real Estate	Entrusted management	153,818	70,170	32,797	50,851
20	Shanghai Fengxian Powerlong Plaza (上海奉賢寶龍廣場)	November 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	117,715	49,816	14,846	53,053
21	Shanghai Lingang Powerlong Plaza (上海臨港寶龍廣場)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	70,720	40,069	9,932	20,719
22	Hangzhou Xiaoshan Powerlong Plaza (杭州蕭山寶龍廣場)	December 2015	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,836	68,687	12,217	62,932
23	Shanghai Luodian Powerlong Plaza (上海羅店寶龍廣場)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	35,854	28,481	-	7,373
24	Hangzhou Fuyang Powerlong Plaza (杭州富陽寶龍廣場)	December 2015	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	77,186	21,728	10,741	44,717
25	Changzhou Powerlong Plaza (常州寶龍廣場)	June 2016	Changzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	202,917	105,598	48,597	48,722

⁽¹⁾ Tianjin Yujiapu Powerlong Plaza reopened in December 2020.

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
26	Shanghai Jiading Powerlong Plaza (上海嘉定寶龍廣場)	October 2016	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	144,072	64,054	24,903	55,115
27	Penglai Powerlong Plaza (蓬萊寶龍廣場)	November 2016	Yantai	Others	Powerlong Real Estate	Entrusted management	148,213	43,431	59,871	44,911
28	Yantai Powerlong Plaza (煙臺寶龍廣場)	December 2016	Yantai	Others	Powerlong Real Estate	Entrusted management	100,027	37,868	20,629	41,530
29	Yangzhou Powerlong Plaza (揚州寶龍廣場)	January 2017	Yangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,559	58,407	30,252	54,900
30	Shanghai Wujing Powerlong Plaza (上海吳淞寶龍廣場)	July 2017	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	49,918	26,794	11,337	11,787
31	Fuyang Powerlong Plaza (阜陽寶龍廣場)	December 2017	Fuyang	Yangtze River Delta	Powerlong Real Estate	Entrusted management	140,441	103,890	-	36,551
32	Shanghai Qingpu Powerlong Plaza (上海青浦寶龍廣場)	September 2018	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	171,673	54,281	38,462	78,930
33	Hangzhou Lin'an Powerlong Plaza (杭州臨安寶龍廣場)	November 2019	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	103,700	55,700	-	48,000
34	Tianjin Binhai Powerlong Plaza (天津濱海寶龍廣場)	December 2019	Tianjin	Others	Powerlong Real Estate	Entrusted management	61,883	36,400	6,100	19,383
35	Shanghai Baoyang Powerlong Plaza (上海寶楊寶龍廣場)	December 2019	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	148,407	77,873	15,155	55,379
36	Nanjing Gaochun Powerlong Plaza (南京高淳寶龍廣場)	December 2019	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	87,542	56,200	17,000	14,342
37	Ningbo Yinzhou Powerlong Plaza (寧波鄞州寶龍廣場)	December 2019	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	93,924	63,596	-	30,328
38	Hangzhou Qingshan Lake Powerlong Plaza (Phase 1) (杭州青山湖寶龍廣場(一期))	October 2020	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	189,524	98,000	-	91,524
39	Yongkang Powerlong Plaza (永康寶龍廣場)	November 2020	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	89,900	62,900	-	27,000
40	Hangzhou Dajiangdong Powerlong Plaza (杭州大江東寶龍廣場)	November 2020	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	95,373	62,373	-	33,000
41	Shaoxing Keqiao Powerlong Plaza (紹興柯橋寶龍廣場)	November 2020	Shaoxing	Yangtze River Delta	Third Party	Sublease	99,787	54,787	-	45,000
42	Suzhou Kingyun Powerlong Plaza (蘇州崑山寶龍廣場)	December 2020	Suzhou	Yangtze River Delta	Third Party	Sublease	40,774	40,774	-	-
43	Yancheng Chengdong Powerlong Plaza (鹽城城東寶龍廣場)	December 2020	Yancheng	Yangtze River Delta	Powerlong Real Estate	Entrusted management	135,932	76,927	-	59,005
44	Wenling Powerlong Plaza (溫嶺寶龍廣場)	June 2021	Taizhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	108,065	82,338	-	25,727
45	Zhuji Powerlong Plaza (諸暨寶龍廣場)	June 2021	Shaoxing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	138,600	61,700	35,300	41,600
46	Zhoushan Powerlong Plaza (舟山寶龍廣場)	June 2021	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	107,720	69,880	26,840	11,000

No.	Name of Project	Opening Date month-year	City	Geographic Region	Source of Project	Management Model	Total GFA (sq.m.)	Shopping Mall (sq.m.)	Commercial Street (sq.m.)	Car Park (sq.m.)
47	Ningbo Gaoxin Powerlong Plaza (寧波高新寶龍廣場)	October 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,588	45,200	-	98,388
48	Ningbo Fenghua Powerlong Plaza (寧波奉化寶龍廣場)	October 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	71,300	34,700	-	36,600
49	Yiwu Qingkou Powerlong Plaza (義烏青口寶龍廣場)	November 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	74,087	52,062	-	22,025
50	Zhuhai Gaoxin Powerlong Plaza (珠海高新寶龍廣場)	November 2021	Zhuhai	Others	Powerlong Real Estate	Entrusted management	115,513	85,000	4,923	25,590
51	Yixing Powerlong Plaza (宜興寶龍廣場)	November 2021	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	57,000	40,000	-	17,000
52	Yancheng Jianhu Powerlong Plaza (鹽城建湖寶龍廣場)	December 2021	Yancheng	Yangtze River Delta	Third Party	Entrusted management	96,182	62,045	-	34,137
53	Lanxi Powerlong Plaza (蘭溪寶龍廣場)	December 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	139,361	90,000	15,461	33,900
54	Hangzhou Jinnan Powerlong Plaza (杭州錦南寶龍廣場)	December 2021	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	45,772	38,900	4,660	2,212
55	Hangzhou Tech City Powerlong Plaza (杭州科技城寶龍廣場)	September 2022	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	95,800	82,000	-	13,800
56	Xiamen Tong'an Powerlong Plaza (廈門同安寶龍廣場)	December 2022	Xiamen	Others	Powerlong Real Estate	Entrusted management	113,089	88,000	-	25,089
57	Jinhua Jinyi Powerlong Plaza (金華金義寶龍廣場)	September 2023	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	122,926	90,355	-	32,571
58	Xuzhou Hexin Powerlong Plaza (徐州和信寶龍廣場)	September 2023	Xuzhou	Yangtze River Delta	Third Party	Net earning sharing	197,251	80,931	-	116,320
59	Jingdezhen Powerlong Plaza (景德鎮寶龍廣場)	October 2023	Jingdezhen	Others	Powerlong Real Estate	Entrusted management	129,209	80,000	19,209	30,000
60	Pizhou Powerlong Plaza (邳州寶龍廣場)	December 2023	Xuzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	129,514	90,000	-	39,514
61	Taizhou Duqiao Powerlong Plaza (台州杜橋寶龍廣場)	January 2024	Taizhou	Yangtze River Delta	Third Party	Sublease	67,990	50,215	-	17,775
62	Hangzhou Gongshu Powerlong Plaza (杭州拱墅寶龍廣場)	May 2024	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	98,264	64,749	-	33,515
63	Shanghai Fengfa Powerlong Plaza (上海奉發寶龍廣場)	December 2024	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	83,550	56,300	8,340	18,910
64	Jiyuan Powerlong Plaza (濟源寶龍廣場)	December 2024	Jiyuan	Others	Third Party	Net earning sharing	94,255	94,255	-	-
65	Shengzhou Powerlong Plaza (嵯州寶龍廣場)	December 2024	Shengzhou	Yangtze River Delta	Third Party	Net earning sharing	159,338	80,240	29,129	49,969
66	Wuyishan Powerlong Plaza (武夷山寶龍廣場)	May 2025	Nanping	Others	Powerlong Real Estate	Entrusted management	67,633	40,007	9,117	18,509
67	Nanjing Jiangning Powerlong Plaza (南京江寧寶龍廣場)	December 2025	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	146,788	70,059	12,274	64,455
68	Yuyao Powerlong Plaza (余姚寶龍廣場)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	65,915	46,000	4,500	15,415
Sub-total							8,989,216	5,366,497	805,484	2,817,235

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
Powerlong Land										
1	Taicang Powerlong Land (太倉寶龍天地)	March 2007	Suzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	25,476	-	25,476	-
2	Hangzhou Xiasha Powerlong Land (杭州下沙寶龍天地)	November 2014	Hangzhou	Yangtze River Delta	Third Party	Sublease	39,039	-	28,839	10,200
3	Shanghai Huaxin Powerlong Land (上海華新寶龍天地)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	51,113	-	24,447	26,666
4	Dongying Powerlong Land (東營寶龍天地)	September 2016	Dongying	Others	Powerlong Real Estate	Entrusted management	79,514	-	51,649	27,865
5	Haiyang Powerlong Land (海陽寶龍天地)	June 2017	Yantai	Others	Powerlong Real Estate	Entrusted management	39,108	-	37,470	1,638
6	Huai'an Powerlong Land (淮安寶龍天地)	July 2017	Huai'an	Yangtze River Delta	Powerlong Real Estate	Entrusted management	93,384	-	82,827	10,557
7	Jinhua Pan'an Powerlong Land (金華磐安寶龍天地)	September 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Advisory consultation	33,649	-	31,479	2,170
8	Zhoushan Dinghai Powerlong Land (舟山定海寶龍天地)	November 2021	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	28,100	-	16,100	12,000
9	Zhoushan Putuo Powerlong Land (舟山普陀寶龍天地)	June 2023	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	92,100	-	40,800	51,300
10	Shanghai Jiading Powerlong Land (上海嘉定寶龍天地)	September 2024	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	21,600	-	21,600	-
11	Xiangshan Powerlong Land (象山寶龍天地)	September 2024	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	11,118	-	11,118	-
12	Ningbo Wenchuanggang Powerlong Land (寧波文創港寶龍天地)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	44,900	-	44,900	-
Sub-total							559,101	-	416,705	142,396
Powerlong Xinghui										
1	Jiashan Xingyuecheng (嘉善星悅城)	October 2014	Jiaxing	Yangtze River Delta	Third Party	Sublease	35,000	35,000	-	-
2	Xingyue • Xicheng Plaza (星悅•西城廣場)	October 2017	Taizhou	Yangtze River Delta	Third Party	Sublease	38,100	33,000	-	5,100
3	Anji • Henglong Dadao (安吉•恒隆大道)	September 2018	Huzhou	Yangtze River Delta	Third Party	Advisory consultation	54,873	-	39,873	15,000
4	Ningbo Laowaitan (寧波老外灘)	June 2021	Ningbo	Yangtze River Delta	Third Party	Advisory consultation	114,000	-	114,000	-
5	Hangzhou Fuyang Dongfangmao Commercial (杭州富陽東方茂商業)	June 2022	Hangzhou	Yangtze River Delta	Third Party	Entrusted management	119,890	78,853	-	41,037
6	Haiyan Beidajie (海鹽北大街)	June 2023	Jiaxing	Yangtze River Delta	Third Party	Entrusted management	55,570	-	35,630	19,940
7	Yueqing Powerlong Plaza (樂清寶龍廣場)	January 2024	Yueqing	Yangtze River Delta	Third Party	Entrusted management	56,000	41,000	-	15,000
8	Yueqing Central Park (樂清中金匯)	June 2024	Yueqing	Yangtze River Delta	Third Party	Advisory consultation	62,000	-	42,000	20,000
9	Shangrao Shuinanjie (上饒水南街)	December 2024	Shangrao	Others	Third Party	Advisory consultation	158,000	-	158,000	-
10	Dongyang Powerlong Plaza (東陽寶龍廣場)	December 2024	Jinhua	Yangtze River Delta	Third Party	Advisory consultation	30,009	-	20,080	9,929
11	Huai'an Xiangyu Powerlong Land (淮安翔宇寶龍天地)	December 2025	Huai'an	Yangtze River Delta	Third Party	Advisory consultation	35,606	-	35,606	-
12	Binjiang Zhongnan Lingyunli (濱江中南凌雲里)	December 2025	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	20,127	-	20,127	-
Sub-total							779,175	187,853	465,316	126,006
Total							11,093,723	5,981,716	1,764,041	3,347,966

The table below sets forth average occupancy rate and GFA in operation of retail commercial properties as at 31 December 2025 by brands.

Product category	Average occupancy rate ⁽¹⁾		GFA in operation (000' sq. m.)
	As of 31 December		
	2025	2024	
	%	%	
Powerlong One Mall (寶龍一城)	99.1	99.1	171
Powerlong City (寶龍城)	97.6	97.8	596
Powerlong Plaza (寶龍廣場)	91.0	90.9	8,989
Powerlong Land (寶龍天地)	90.2	90.7	559
Powerlong Xinghui (寶龍星匯)	92.0	93.0	779
Total	91.5	91.5	11,094

(1) Occupancy rate is calculated as actual leased area divided by available lease area of a retail commercial property as of the end of each relevant period based on internal record. The occupancy rate only applies to retail commercial properties for which the Group has provided tenant sourcing services and may be higher or lower in different periods within one year.

Newly Contracted Projects

The Group's retail property projects newly contracted for during the year ended 31 December 2025 are shown in the following table:

No.	Name of Project	City	Geographic Region	Manager	Management Model	Expected GFA (sq.m.)
1	Binjiang Zhongnan Lingyunli (濱江中南凌雲里)	Hangzhou	Yangtze River Delta	Powerlong Xinghui	Advisory consultation	20,127
2	Tongxiang Zhenshi 1989 (桐鄉振石1989)	Jiaxing	Yangtze River Delta	Powerlong Xinghui	Net earning sharing	31,171
	Total					51,298

Pipeline Projects

Retail commercial property projects planning for opening in 2026 are as follows:

No.	Name of Project	Opening Date ⁽¹⁾ <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Expected GFA <i>(sq.m.)</i>
<i>Powerlong Plaza</i>							
1	Cangnan Powerlong Plaza (蒼南寶龍廣場)	September 2026	Wenzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	100,000
2	Taicang Xiangtang Powerlong Plaza (太倉香塘寶龍廣場)	September 2026	Taicang	Yangtze River Delta	Third Party	Net earning sharing	70,000
3	Zhuhai Jinwan Powerlong Plaza (珠海金灣寶龍廣場)	December 2026	Zhuhai	Others	Powerlong Real Estate	Entrusted management	70,000
4	Ningbo Jiangbei Powerlong Plaza (寧波江北寶龍廣場)	December 2026	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	109,716
Sub-total							349,716
<i>Powerlong Xinghui</i>							
1	Liping Powerlong Plaza (臨平寶龍廣場)	May 2026	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	80,000
2	Tongxiang Zhenshi 1989 (桐鄉振石1989)	August 2026	Jiaxing	Yangtze River Delta	Third Party	Net earning sharing	31,171
Sub-total							111,171
Total							460,887

⁽¹⁾ Opening dates of all the projects are estimated dates. Actual opening dates are subject to project progress.

Retail commercial property projects planning for opening after 2026 are as follows:

No.	Name of Project	City	Geographic Region	Source of Project	Management Model	Expected GFA (sq.m.)
1	Ningbo Powerlong One Mall (寧波寶龍一城)	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	190,100
2	Nanchang Powerlong One Mall (南昌寶龍一城)	Nanchang	Others	Powerlong Real Estate	Entrusted management	142,145
3	Yangzhou Guangling Powerlong City (揚州廣陵寶龍城)	Yangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	89,700
4	Nanjing Xuanwu Powerlong City (南京玄武寶龍城)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	127,591
5	Nanjing Jiangbei Powerlong City (南京江北寶龍城)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	121,500
6	Wuhan Xinzhou Powerlong Plaza (武漢新洲寶龍廣場)	Wuhan	Others	Powerlong Real Estate	Entrusted management	142,655
7	Nanjing Liuhe Powerlong Plaza (南京六合寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	141,939
8	Zhuhai Beizhan Powerlong Plaza (珠海北站寶龍廣場)	Zhuhai	Others	Powerlong Real Estate	Entrusted management	80,000
9	Nanjing Jingkai Powerlong Plaza (南京經開寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	104,000
10	Nanjing Qixia Powerlong Plaza (南京栖霞寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,000
11	Chuzhou Powerlong Plaza (滁州寶龍廣場)	Chuzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	70,000
12	Dongying Powerlong Plaza (東營寶龍廣場)	Dongying	Others	Powerlong Real Estate	Entrusted management	133,720
13	Zhongshan Powerlong Plaza (中山寶龍廣場)	Zhongshan	Others	Powerlong Real Estate	Entrusted management	100,000
14	Wuxi Xinwu Powerlong Plaza (無錫新吳寶龍廣場)	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	174,180
15	Bozhou Powerlong Plaza (亳州寶龍廣場)	Bozhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	211,730
16	Gao'an Ruitai Plaza (高安市瑞泰廣場)	Yichun	Others	Third Party	Net earning sharing	62,000
17	Fuding Powerlong Land (福鼎寶龍天地)	Fuding	Others	Powerlong Real Estate	Agency for tenant sourcing	9,411
18	Jiaozhou Powerlong Land (膠州寶龍天地)	Qingdao	Others	Powerlong Real Estate	Entrusted management	23,415
19	Lin'an IN Alley (臨安IN巷)	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	27,700
Total						2,101,786

RESIDENTIAL PROPERTY MANAGEMENT SERVICES

For the year ended 31 December 2025, the total revenue of the Group's residential property management services business segment amounted to approximately RMB508.5 million, representing an increase of 6.6% from RMB477.2 million for the year ended 31 December 2024; and the Group had GFA delivered of approximately 24.1 million sq.m., representing an increase of 0.1 million sq.m. from 24.0 million sq.m. for the corresponding period of 2024; 129 delivered projects, representing a decrease of 2 projects from 131 projects for the corresponding period of 2024; and contracted GFA of approximately 30.1 million sq.m., representing a decrease of 1.3 million sq.m. from 31.4 million sq.m. for the corresponding period of 2024.

The table below sets forth a breakdown of the aggregate GFA delivered as at the dates indicated and the Group's revenue generated from the residential property management service segment for the years indicated by geographic region:

	As of/For the year ended 31 December					
	2025			2024		
	Contracted GFA <i>sq.m.</i>	GFA delivered <i>sq.m.</i>	Revenue <i>RMB</i> <i>(in thousands)</i>	Contracted GFA <i>sq.m.</i>	GFA delivered <i>sq.m.</i>	Revenue <i>RMB</i>
Yangtze River Delta ⁽¹⁾	19,658	15,069	312,198	20,185	14,466	299,021
Others ⁽²⁾	10,439	9,067	196,277	11,240	9,578	178,146
Total	30,097	24,136	508,475	31,425	24,044	477,167

Notes:

- (1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.
- (2) Comprises cities except those mentioned in (1) above.

WORK PLAN FOR YEAR 2026

Looking back on 2025, China's economy pressed forward under pressure within a complex and volatile domestic and international environment, pursuing new growths and higher quality, achieving new accomplishments in high-quality development. The gross domestic product (GDP) for the year reached a new level of RMB140 trillion for the first time, representing a year-on-year increase of 5.0%, and the total economic volume once again reached a new high. Since 2025, driven by the synergistic implementation of policies aimed at stabilizing growth, expanding domestic demand, and stimulating consumption, the driving force of domestic demand has continued to strengthen. Consumption, primary driver of economic growth, further strengthened its fundamental role, with the contribution of consumption expenditure to economic growth eventually reaching 52%. The total retail sales of consumer goods reached RMB50.12 trillion, representing a year-on-year increase of 3.7%, indicating a steady recovery of market vitality and the continued release of domestic demand potential.

As a leading provider of commercial operational services in China, the Group will promote its efficient development under the annual strategy of “Deliver Quality Products, Refine Operations, Enhance Efficiency of Assets and Strengthen Organization”. Leveraging its projects as the product foundation, the Group established sustainable competitive advantages. In 2025, the Group completed the grand opening of 3 Powerlong Plazas and 3 street-zone projects. There was an increase in both annual sales and customer traffic, with a year-on-year increase of 5% in passenger flow in the same store and a year-on-year increase of 3% in sales in the same store, demonstrating steady improvement in operational fundamentals. As at 31 December 2025, the aggregate GFA in operation of the Group's commercial operational services segment amounted to approximately 11.1 million sq.m..

Aligning with the five-year goals and focusing on “good cities, good projects and good teams”, the Group will deepen its presence in the core regions of Jiangsu, Zhejiang, Shanghai, and Fujian. Centered on operational excellence as its core and driven by a business system with “content ecosystem + smart technology” as its two wings, a profound transformation from “space operation” to “value creation” shall be achieved through five key strategic initiatives of “space creation, smart operations, customer delight, growth, and talent”. As the inaugural year of the five-year strategy, 2026 will see the Group define its core work tasks around the framework of “Five Dimensions and Ten Key Initiatives” to ensure the effective implementation and realization of the strategy.

(I) Cultivate Spaces to Build a Benchmark Matrix

By focusing on deep exploration of spatial value and concentrating superior resources, premium commercial projects such as Xiamen Powerlong One Mall, Hangzhou Binjiang Powerlong City, and Shanghai Baoyang Powerlong Plaza will be further developed into signature benchmark projects, which will establish new paradigms for regional commerce through high-quality operations and innovative services. The Group will steadily advance the optimization and renovation of commercial spaces through multi-dimensional initiatives, including precise upgrading of business formats, revitalizing the brand mix, remodeling visitor flow lines, and recreating spatial experiences, so as to fully activate underperforming spaces, continuously enhance the core competitiveness and market appeal of commercial assets, and improve both asset value and customer experience.

(II) Empower with Technology to Upgrade Operational Efficiency

Taking digital transformation as a core driver, the Group will comprehensively strengthen the foundational construction of its smart commercial systems and accelerate the implementation of AI application scenarios. Leveraging data-driven intelligent analysis and visual applications, the Group will provide solid support for precise operations, informed assessments, and efficient decision-making, thereby achieving a shift from “experience-driven” to “data-driven”. At the same time, the dual engines of technological innovation and lean management will operate in parallel – enhancing efficiency through technology, improving quality through management, and increasing profitability through operations – to comprehensively elevate operational quality and efficiency while boosting core competitiveness.

(III) Focus on Customers to Renew Service Experience

Emphasis will be placed on establishing a robust management system, comprehensively building three core management frameworks of operational quality, customer service, and marketing. Supported by refined operations, the Group will gain deep insights into consumer needs and emotional experiences. By delivering services characterized by “warmth, high quality, and the exceeding of expectations” to satisfy consumers’ emotional value and spiritual needs, customer loyalty and brand affinity will be continued to enhance, which efficiently facilitates the value transformation from “foot traffic” to “customer retention” and from “customer retention” to “incremental value”, achieving long-term monetization.

(IV) Diversified Expansion to Activate Growth Potential

Differentiated tenant sourcing strategy and precise controls will be strictly implemented, with a focus on introducing high-quality brands to foster a virtuous development cycle of full occupancy, premium presentation, and efficient returns across its projects. Asset-light expansion remains a crucial channel of the Group for sourcing future incremental projects. In addition to developing commercial asset-light ventures, the Group will seize opportunities to expand into third-party property projects and undertake more external property projects with its professional service capabilities, so as to continuously broaden revenue channels and growth paths and build a sustainable foundation for profit growth.

(V) Construct a Foundation with Talent and Strengthen Organizational Mindset

The development of the talent echelon will be accelerated and the creation of a dynamic organization characterized by “agility, openness, and resilience” will be deepened. By fully activating organizational momentum and the value of talent, robust human resources and organizational support will be provided to ensure the effective implementation of the overall strategy. At the same time, the Group will strengthen the construction of the top-ranking team through mechanisms such as high-quality competitors benchmarking, training empowerment promotion, continuous attention to conditions, and personnel adaptation adjustment, so as to develop a strong talent base for the enterprise and create a commercial space that can breathe, is warm and is capable of providing emotional value.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded a revenue of approximately RMB2,607.6 million, representing a decrease of approximately 0.4% as compared with approximately RMB2,617.3 million for the year ended 31 December 2024.

The Group's revenue indicated by business segment and type of service are as follows:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial Operational Services				
Market research and positioning, business tenant sourcing and opening preparation services	54,255	2.1	70,480	2.7
Commercial operation and management services	1,844,489	70.7	1,863,203	71.2
Commercial property leasing services	200,389	7.7	206,455	7.9
	<u>2,099,133</u>	<u>80.5</u>	<u>2,140,138</u>	<u>81.8</u>
Residential Property				
Management Services				
Pre-sale management services	1,057	0.1	1,189	0.1
Property management services	409,141	15.7	378,759	14.5
Other value-added services	98,277	3.7	97,219	3.6
	<u>508,475</u>	<u>19.5</u>	<u>477,167</u>	<u>18.2</u>
Total	<u>2,607,608</u>	<u>100</u>	<u>2,617,305</u>	<u>100</u>

Market research and positioning, business tenant sourcing and opening preparation services

The Group's market research and positioning, tenant sourcing and opening preparation services primarily include (i) market research and positioning services; and (ii) business tenant sourcing and opening preparation services, provided to property developers or property owners before the opening of a retail commercial property.

For the year ended 31 December 2025, the Group's revenue from market research and positioning, business tenant sourcing and opening preparation services amounted to approximately RMB54.3 million, representing a year-on-year decrease of 23.0% and accounting for approximately 2.1% of the Group's total revenue.

The decrease in the revenue from market research and positioning, business tenant sourcing and opening preparation services was primarily due to the fact that the Group provided market research and positioning, business tenant sourcing and opening preparation services with respect to less retail commercial properties compared to the corresponding period in 2024.

Commercial operation and management services

The Group's commercial operation and management services primarily include (i) retail commercial property management services; (ii) tenant management and rent collection services; and (iii) other value-added services, provided to property owners or tenants.

For the year ended 31 December 2025, the Group's revenue from commercial operation and management services amounted to approximately RMB1,844.5 million, representing a year-on-year decrease of 1.0% and accounting for approximately 70.7% of the Group's total revenue.

The decrease in the revenue from commercial operation and management services was primarily driven by the adjustment of business structure and the reduction in revenue of certain businesses as affected by the cycle of the real estate sector.

Commercial property leasing services

The Group provides property leasing services with respect to units located within shopping streets and shopping malls. For the year ended 31 December 2025, the Group's revenue derived from property leasing services amounted to approximately RMB200.4 million, representing a year-on-year decrease of 2.9% and accounting for approximately 7.7% of total revenue.

The decrease in the revenue from commercial property leasing services was primarily attributable to the decrease in the sublease projects.

Residential Property Management Services

The Group's residential property management services primarily include (i) pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance services for pre-sale display units and sales offices; (ii) property management services such as security, cleaning, gardening and repair and maintenance services to property owners or property owners' associations at the post-delivery stages; and (iii) other value-added services such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services to property owners, tenants or residents of the Group's managed properties.

For the year ended 31 December 2025, the Group's revenue from residential property management services amounted to approximately RMB508.5 million, representing a year-on-year increase of 6.6% and accounting for approximately 19.5% of total revenue.

The increase in the revenue from residential property management services was primarily attributable to the enhancement of service quality and the increase in GFA delivered.

Revenue indicated by type of customers is as follows:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Commercial Operational Services				
Fellow subsidiaries	215,916	8.3	206,459	7.9
Other related parties	9,949	0.4	21,570	0.8
External customers	1,873,268	71.8	1,912,109	73.1
	<u>2,099,133</u>	<u>80.5</u>	<u>2,140,138</u>	<u>81.8</u>
Residential Property Management Services				
Fellow subsidiaries	6,979	0.3	24,152	0.9
Other related parties	2,026	0.1	4,612	0.2
External customers	499,470	19.1	448,403	17.1
	<u>508,475</u>	<u>19.5</u>	<u>477,167</u>	<u>18.2</u>
Total	<u>2,607,608</u>	<u>100</u>	<u>2,617,305</u>	<u>100</u>

Revenue derived from external customers represents the largest source of the Group's revenue. For the year ended 31 December 2025, revenue derived from external customers was approximately RMB2,372.7 million, representing approximately 91.0% of the Group's total revenue.

Revenue indicated by geographic regions is as follows:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial Operational Services				
Yangtze River Delta	1,502,421	57.6	1,567,162	59.9
Others	596,712	22.9	572,976	21.9
	<u>2,099,133</u>	<u>80.5</u>	<u>2,140,138</u>	<u>81.8</u>
Residential Property Management Services				
Yangtze River Delta	312,198	12.0	299,021	11.4
Others	196,277	7.5	178,146	6.8
	<u>508,475</u>	<u>19.5</u>	<u>477,167</u>	<u>18.2</u>
Total	<u>2,607,608</u>	<u>100</u>	<u>2,617,305</u>	<u>100</u>

For the year ended 31 December 2025, the Group's commercial operational properties and residential management properties were primarily located in the Yangtze River Delta region.

Cost of services

The cost of services primarily include: (i) employees and other labour costs; (ii) depreciation expenses; (iii) utility expenses; (iv) variable lease payments; (v) short-term lease expenditure; (vi) taxes and other levies; and (vii) other miscellaneous costs.

For the year ended 31 December 2025, the Group's cost of services was approximately RMB 1,793.9 million, representing a year-on-year increase of 0.6%.

Gross profit and gross profit margin

The gross profit of the Group for the year ended 31 December 2025 amounted to approximately RMB813.7 million, representing a year-on-year decrease of 2.4%. For the year ended 31 December 2024, the gross profit margin of the Group was 31.2%, representing a decrease of 0.7 percentage point as compared to 31.9% for the year ended 31 December 2024.

The gross profit of commercial operational services for the year ended 31 December 2025 amounted to approximately RMB702.4 million, representing a year-on-year decrease of 3.6%. The gross profit margin of the Group's commercial operational services for the year ended 31 December 2025 was 33.5%, representing a decrease of 0.6 percentage point as compared to 34.1% for the year ended 31 December 2024, primarily due to adjustments in the business mix, resulting in the decrease in the proportion of certain businesses which traditionally had higher margins but experienced slowdown due to the real-estate cycle.

The gross profit of residential property management services for the year ended 31 December 2025 amounted to approximately RMB111.3 million, representing a year-on-year increase of 5.7%. The gross profit margin of the Group's residential property management services for the year ended 31 December 2025 was 21.9%, representing a decrease of 0.2 percentage point as compared to 22.1% for the year ended 31 December 2024, primarily because of the adjustment of business structure, resulting in the decrease in the proportion of certain businesses which had higher gross profit margin but were affected by the real estate cycle.

The Group's gross profit and gross profit margin by segment are as follows:

	For the year ended 31 December			
	2025		2024	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
Commercial operational services	702,427	33.5	728,721	34.1
Residential property management services	111,269	21.9	105,231	22.1
Total	813,696	31.2	833,952	31.9

Other income and other losses – net

The Group's net other income and other losses mainly comprised the various subsidies income from local governments and the forfeited deposits from tenants due to their premature termination of contracts. For the year ended 31 December 2025, the Group's net other income and other losses amounted to approximately RMB44.3 million, representing a year-on-year increase of 23.4%. This was mainly due to the forfeited deposits from tenants due to their premature termination of contracts of approximately RMB48.4 million, partly offset by penalty expenses of approximately RMB15.4 million and foreign exchange losses of approximately RMB0.3 million.

Impairment losses on financial assets – net

The Group's net impairment losses on financial assets mainly include the allowance for impairment made in respect of operating lease and trade receivables and other receivables. For the year ended 31 December 2025, the Group's net impairment losses on assets amounted to approximately RMB232.4 million, which were mainly from related parties, representing a year-on-year increase of 5.9%. This was mainly due to the fact that based on the principle of prudence, the Group performed impairment tests on the carrying amount of trade receivables and other receivables, and made a reasonable impairment provision.

Finance income/(costs) – net

The Group's net finance income/(costs) mainly include the net of the interest expense on lease liabilities and interest income from bank deposits.

For the year ended 31 December 2025, the Group's net finance income amounted to approximately RMB4.9 million as compared to the net finance costs of approximately RMB19.2 million for the corresponding period in 2024. This was primarily attributable to the decrease in interest expense on lease liabilities.

Income tax expenses

The Group's income tax expenses mainly comprise PRC corporate income tax. For the year ended 31 December 2025, the effective income tax rate was 28.7%, representing a decrease of 3.5 percentage points as compared to 32.2% for the year ended 31 December 2024.

Profit for the year

For the year ended 31 December 2025, the Group's profit attributable to Shareholders was approximately RMB233.5 million, representing an increase of 8.1% from approximately RMB216.0 million for the year ended 31 December 2024.

Operating lease and trade receivables

The Group's operating lease and trade receivables primarily arise from property leasing services for units located within shopping malls and shopping streets as well as the provision of various services by the Group's commercial operational services segment and residential property management services segment. As at 31 December 2025, the Group's operating lease and trade receivables were approximately RMB421.1 million, representing an increase of 1.9% as compared to that of approximately RMB413.2 million as at 31 December 2024, primarily attributable to the Group's business growth.

Prepayments and other receivables

The Group's prepayments and other receivables primarily represent utility fees prepaid to the power supply bureaus, payments on behalf of tenants and residents and deposit prepayment for business purposes. As at 31 December 2025, the Group's prepayments and other receivables amounted to approximately RMB148.9 million, representing a decrease of 33.4% as compared with approximately RMB223.6 million as at 31 December 2024. Such decrease was primarily attributable to the reduction in the Group's prepayments to suppliers.

Trade and other payables

The Group's trade and other payables primarily represent amounts due to suppliers/subcontractors for the purchase of services and goods and amounts due to related parties, cash received on behalf of tenants or residents, deposits received from tenants or residents and others. As at 31 December 2025, the Group's trade and other payables amounted to approximately RMB1,168.2 million, representing an increase of 13.5% as compared with approximately RMB1,028.9 million as at 31 December 2024. This was primarily attributable to the increase in trade payables to suppliers.

Contract liabilities

Contract liabilities mainly represent advance payments made by the customers of the Group's commercial operational services and residential property management services. As at 31 December 2025, the Group's contract liabilities were approximately RMB283.5 million, representing an increase of 3.4% as compared with approximately RMB274.3 million as at 31 December 2024. This was primarily attributable to the decrease in revenue recognized by the Group in relation to contract liabilities upon completion of services.

Contingent liabilities

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

Litigation

On 7 May 2025, Zhejiang Xinke Real Estate Development Co., Ltd. (the “**Plaintiff**”) instituted civil proceedings (Case No.: (2025)浙0112民初4526號) before the People’s Court of Lin’an District, Hangzhou City, against Shanghai Powerlong Commercial Real Estate Management Company Limited (“**Defendant I**”), an indirect wholly-owned subsidiary of the Company, and its Lin’an Qingshanhu Branch (“**Defendant II**”).

The Plaintiff claims joint and several liability for (i) the outstanding rent, management fees, and utility charges totalling approximately RMB6,097,000 accrued as of 20 January 2025, (ii) penalties for breach of the tenancy agreement in the amount of approximately RMB31,090,000, and (iii) compensatory damages for alleged losses amounting to approximately RMB1,000,000.

The matter arises from a lease agreement dated 4 September 2019, executed between the Plaintiff, as the landlord, and Defendant II as the tenant, pursuant to which Defendant II leased the premises for a term of twenty years. On 11 November 2024, Defendant II issued a notice of termination to the Plaintiff, purporting to terminate the tenancy agreement effective as of that date. The Plaintiff alleges that Defendant II lacked the contractual right to terminate the agreement before the expiration of the stipulated term. The Company vacated the premises in December 2024.

Taking into account the opinion of the Group’s lawyer, possible outcome, and their obligations for the above case, the Group has made a provision for a claim of approximately RMB38,187,000 for the year ended 31 December 2025, which is included in other payables as of 31 December 2025.

The Company would continue to exercise their due care in monitoring the progress of the case and would assess the adequacy of provision of claim and the financial impact to the Group as and when appropriate.

Liquidity and capital resources

The Company has maintained a stable financial condition and sufficient liquidity. As at 31 December 2025, the Group’s cash and bank balances amounted to approximately RMB4,478.0 million, representing an increase of 8.4% as compared with approximately RMB4,131.6 million as at 31 December 2024. This was primarily attributable to the Group’s stepped up efforts in collection.

Gearing ratio

Gearing ratio is calculated based on total liabilities as at the corresponding date divided by total assets as at the same date. As at 31 December 2025, the Group's gearing ratio was 0.41 (31 December 2024: 0.47).

Foreign exchange risk

The Group's businesses are principally conducted in RMB and the Group's exposure to foreign currency risk is minimal. As such, as at 31 December 2025, the Group had not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

As at 31 December 2025, major non-RMB assets and liabilities of the Group were cash and bank balances denominated in US dollar ("US\$") and Hong Kong dollar ("HK\$"). Fluctuation of the exchange rate of RMB against US\$ and HK\$ could affect the Group's results of operations. The Group closely monitors the fluctuations in exchange rate and will consider hedging its exposure to foreign exchange risk as and when appropriate.

USE OF NET PROCEEDS

(i) Use of Net Proceeds from the Initial Public Offering and Over Allotment

The Company raised net proceeds of (i) approximately HK\$1,380.5 million from the initial public offering, and (ii) approximately HK\$208.0 million from exercising the over-allotment option on 22 January 2020 (collectively, the "**Net IPO Proceeds**"). As set out in the prospectus of the Company dated 16 December 2019 (the "**Prospectus**"), the Company intended to use the Net IPO Proceeds for the purposes as follows: (i) approximately 50% of the Net IPO Proceeds will be used to pursue strategic acquisitions of other small to medium-sized commercial operational services providers in order to scale up its commercial operational services business and expand its commercial operational services portfolio; (ii) approximately 25% of the Net IPO Proceeds will be used to upgrade the information technology systems for digitization and smart operation and management, aiming to enhance consumers' experience, improve the quality of services provided to the Group's tenants and improve operational efficiency; (iii) approximately 10% of the Net IPO Proceeds will be used to make equity investment in certain tenants with an aim of establishing close strategic cooperation with them; (iv) approximately 5% of the Net IPO Proceeds will be used for the renovation of retail commercial properties developed or owned by independent third parties under the asset-light business model; and (v) approximately 10% of the Net IPO Proceeds will be used for general business purpose and as working capital of the Group.

On 30 June 2023, the Company revised the use of unutilised Net IPO Proceeds. For details, please refer to the Company's announcement dated 30 June 2023.

As at 31 December 2025, the use of the Net IPO Proceeds together with the expected timeline of use are as follows:

	Intended use of the Net IPO Proceeds as stated in the Prospectus <i>HK\$ million</i>	Intended use of the Net IPO Proceeds subsequent to re-allocation <i>HK\$ million</i>	Actual use of the Net IPO Proceeds during the year ended 31 December 2025 <i>HK\$ million</i>	Actual use of the Net IPO Proceeds as of 31 December 2025 <i>HK\$ million</i>	Unutilised Net IPO Proceeds as of 31 December 2025 <i>HK\$ million</i>	Expected timetable
(i) Pursue strategic acquisition of and investment in other commercial operational services providers	794.3	238.3	–	36.3	202.0	On or before 31 December 2026
(ii) Upgrade the information technology systems	397.1	238.3	8.7	96.4	141.9	On or before 31 December 2026
(iii) Make equity investment in certain tenants and suppliers	158.8	158.8	–	73.4	85.4	On or before 31 December 2026
(iv) Renovation of retail commercial properties developed or owned by independent third parties	79.5	79.5	0.4	34.5	45.0	On or before 31 December 2026
(v) General business purpose and working capital	158.8	158.8	–	158.8	–	–
(vi) Rental expenses for properties under sub-lease services model	–	714.8	37.4	108.9	605.9	On or before 31 December 2026
	1,588.5	1,588.5	46.5	508.3	1,080.2	

The remaining amount of unused proceeds is planned to be utilised by 31 December 2026 as revised. The Board will re-assess and revise the timeline of the planned usage of the Net IPO Proceeds where necessary.

As at 31 December 2025, the remaining Net IPO Proceeds that had not yet been utilised were deposited into licensed banks in Hong Kong and mainland China.

(ii) Use of Proceeds from Subscription

Reference is made to the proceeds of approximately HK\$273.4 million (the “**Subscription Proceeds**”) from the subscription of 11,250,000 new shares of the Company by Mr. Chen Deli, a former executive Director and the former chief executive officer of the Company, details of which are set out in the Company’s announcement dated 10 September 2020 and the Company’s circular dated 6 November 2020.

On 30 June 2023, the Company revised the use of the unutilised Subscription Proceeds. For details, please refer to the Company’s announcement dated 30 June 2023.

The following table sets forth the status of use of the Subscription Proceeds as of 31 December 2025 together with the expected timeline of use:

	Original allocation of the Subscription Proceeds <i>HK\$ million</i>	Planned use of the Subscription Proceeds after re-allocation <i>HK\$ million</i>	Actual use of the Subscription Proceeds during the year ended 31 December 2025 <i>HK\$ million</i>	Actual use of the Subscription Proceeds as of 31 December 2025 <i>HK\$ million</i>	Unutilised Subscription Proceeds as of 31 December 2025 <i>HK\$ million</i>	Expected timetable
(i) Personnel expansion: attract and recruit additional management personnel to the Group's projects and headquarters	82.0	82.0	-	82.0	-	-
(ii) Property leasing business: develop three leasing projects, namely Shaoxing Keqiao Powerlong Plaza (紹興柯橋寶龍廣場), Hangzhou Qingshan Lake Powerlong Plaza (杭州青山湖寶龍廣場) and Taizhou Duqiao Powerlong Plaza (台州杜橋寶龍廣場)	109.4	109.4	23.1	65.1	44.3	On or before 31 December 2026
(iii) IT infrastructure enhancement: create the "Precise Consumer Traffic System" which uses face recognition technology instead of traditional sensors to achieve accurate data collection and perform precise analysis on consumer traffic statistics	82.0	-	-	-	-	-
(iv) Upgrade the information technology systems	-	82.0	-	-	82.0	On or before 31 December 2026
	273.4	273.4	23.1	147.1	126.3	

As at 31 December 2025, the unutilised Subscription Proceeds were deposited into licensed banks in Hong Kong and mainland China.

HUMAN RESOURCES

The Group believes that the expertise, experience and professional development of the employees contribute to the growth of the Group. The human resources department of the Company manages, trains and hires employees. As at 31 December 2025, the Group had 5,517 employees (2024: 5,566). The total staff costs of the Group for the year ended 31 December 2025 amounted to approximately RMB848.8 million (2024: approximately RMB771.2 million). The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. The Group's success depends on its ability to attract, retain and motivate qualified personnel. As part of our retention strategy, the Group offers employees performance-based cash bonuses and other incentives in addition to base salaries. The Group also participates in various employee social security plans for its employees, including housing provident fund, pension, medical insurance, social insurance and unemployment insurance. In relation to staff training, the Group provides different types of programs for its staff to improve their skills and develop their respective expertise. During the year ended 31 December 2025, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Use of Net Proceeds" of this announcement, the Company has not authorised any plan for other material investments or acquisition of capital assets as at the date of this announcement.

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

The Group did not hold any significant investments and did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, no significant event has taken place subsequent to 31 December 2025.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year ended 31 December 2025 is proposed to be held on Friday, 12 June 2026 (the "**Annual General Meeting**"). A notice convening the Annual General Meeting will be published and despatched in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in due course.

DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' rights to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both dates inclusive, during which period no transfer of shares of the Company will be registered.

For the purpose of determining the entitlement to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 8 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors. Having made specific enquiry by the Company to all the Directors, the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code throughout the year ended 31 December 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale or transfer of treasury shares) during the year ended 31 December 2025. The Company did not have any treasury shares as at 31 December 2025.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence in the Company and the Company's accountability. The Company therefore strives to attain and maintain effective corporate governance practices and procedures.

The Company has applied the principles of the Corporate Governance Code of Appendix C1 to the Listing Rules (the "**Corporate Governance Code**") and adopted the code provisions set out in part 2 of the Corporate Governance Code as its own code to govern its corporate governance practices. The Directors are of the view that the Company complied with all code provisions set out in the Corporate Governance Code for the year ended 31 December 2025, except for the deviation from the code provisions C.1.7 and C.2.1 of the Corporate Governance Code.

As stipulated in code provision C.1.7 of the Corporate Governance Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The director liability insurance taken out by the Company for the Directors lapsed on 1 April 2025. Despite reasonable efforts, the Company has yet to identify a suitable director liability insurance policy with reasonable premium while providing adequate cover to the Directors. The Company will continue to seek appropriate insurance cover in this regard.

As stipulated in code provision C.2.1 of the Corporate Governance Code, the roles of chairman and the chief executive should be separate and should not be performed by the same individual. Following the resignation of Mr. Chen Deli, who was the chief executive officer of the Company (the “**CEO**”), on 1 November 2024 and the appointment of Mr. Hoi Wa Fong as the CEO on the same day, Mr. Hoi Wa Fong acted as both the Chairman and CEO until his stepping down as the CEO on 21 January 2025.

On 21 January 2025, Mr. Xu Meng was appointed as the CEO, and Mr. Hoi Wa Fong stepped down from such role. Mr. Hoi Wa Fong has continued to act as the Chairman and an executive Director after ceasing to act as the CEO.

Following the above change, the Company has re-complied with code provision C.2.1 pursuant to which the roles of the Chairman and the CEO are held by Mr. Hoi Wa Fong and Mr. Xu Meng, respectively.

Further information about the corporate governance practices of the Company will be set out in the annual report of the Company for the year ended 31 December 2025.

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”), which comprises three independent non-executive Directors, in accordance with the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee has reviewed the audited consolidated annual results of the Group for the year ended 31 December 2025 with the Company’s management and considered that such results have been prepared in accordance with applicable accounting standards and requirements with sufficient disclosure.

SCOPE OF WORK OF KTC PARTNERS CPA LIMITED

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company’s external auditor, KTC Partners CPA Limited (“**KTC Partners**”), to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2025. The work performed by KTC Partners in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by KTC Partners in this announcement.

RETIREMENT AND RE-APPOINTMENT OF AUDITOR

KTC Partners shall retire and, being eligible, will offer itself for re-appointment at the Annual General Meeting, at which a resolution will be proposed for the re-appointment of KTC Partners as the auditor of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, throughout the year ended 31 December 2025 and up to the date of this announcement, the Company has maintained a sufficient public float of not less than 25% of the total number of issued shares of the Company as required under the Listing Rules.

PUBLICATION OF THE 2025 ANNUAL RESULTS AND THE 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.powerlongcm.com).

The annual report of the Company for the year ended 31 December 2025 will be made available on the abovementioned websites and (if necessary) despatched to the Shareholders in due course.

ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the existing amended and restated memorandum of association and articles of association of the Company (the “**Existing Memorandum and Articles**”) to, among others, reflect the Stock Exchange’s proposals and related rule amendments concerning (a) the introduction of a treasury shares regime; (b) the further expansion of the paperless listing regime and other rule amendments (including the use of electronic means for the giving and receipt of shareholder instructions); and (c) the implementation of an uncertificated securities market, by adopting the necessary enabling and consequential provisions (the “**Proposed Amendments**”). The Board proposes to effect the Proposed Amendments by way of adoption of the fourth amended and restated memorandum of association and articles of association (the “**Amended and Restated Memorandum and Articles**”) in substitution for, and to the exclusion of, the Existing Memorandum and Articles.

The adoption of the Amended and Restated Memorandum and Articles to incorporate the Proposed Amendments is subject to the approval of the Shareholders by way of a special resolution to be proposed at the Annual General Meeting. Prior to the passing of such special resolution at the Annual General Meeting, the Existing Memorandum and Articles shall remain valid.

A circular containing, among other matters, details of the Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles, together with a notice convening the Annual General Meeting will be despatched (if necessary) to the Shareholders in due course.

APPRECIATION

The steady growth of the Group is attributable to the enormous support from the relevant parties for years. The Board would like to take this opportunity to express its sincere gratitude to the Group's investors, business partners and customers for their continuous trust and support. At the same time, the Board would also like to take this opportunity to thank the Board members for their work of high performance and the Group's staff for their contributions and dedication. The Group will continue to uphold its tradition of "honest, modest, innovative and devoted" while relying on an elite team with unified values, loyalty and commitment. It will adhere to its belief and rise to challenges in order to create better returns for its customers, shareholders and investors and to create greater values for the society.

By order of the Board
Powerlong Commercial Management Holdings Limited
Hoi Wa Fong
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises one executive Director, namely, Mr. Hoi Wa Fong, two non-executive Directors, namely, Ms. Hoi Wa Fan and Ms. Hoi Wa Lam, and three independent non-executive Directors, namely, Dr. Lu Xiongwen, Ms. Ng Yi Kum, Estella and Mr. Chan Wai Yan, Ronald.

This announcement is available for viewing on the Company's website at www.powerlongcm.com and the website of the Stock Exchange at www.hkexnews.hk.