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**Fineland Living Services Group Limited**  
**方圓生活服務集團有限公司**

*(formerly known as Fineland Real Estate Services Group Limited 方圓房地產服務集團有限公司)*  
*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9978)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of the Fineland Living Services Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the corresponding period in 2024 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2025*

	Notes	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	4	<b>350,756</b>	369,101
Cost of services		<b>(291,259)</b>	(309,835)
Gross profit		<b>59,497</b>	59,266
Other income, losses and gains, net	5	<b>5,001</b>	(1,828)
Selling and marketing expenses		<b>(613)</b>	(168)
Administrative expenses		<b>(40,323)</b>	(47,538)
Impairment losses on financial assets, net		<b>(66,605)</b>	(90,062)
Impairment losses on goodwill		<b>(11,890)</b>	(7,818)
Finance costs		<b>(47)</b>	(1,184)

	Notes	2025 RMB'000	2024 RMB'000
<b>Loss before income tax</b>	6	(54,980)	(89,332)
Income tax	7	<u>(16,481)</u>	<u>10,007</u>
<b>Loss for the year</b>		<b>(71,461)</b>	<b>(79,325)</b>
<b>Other comprehensive expense</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations		<u>(786)</u>	<u>(1,779)</u>
<b>Total comprehensive expense for the year</b>		<b><u>(72,247)</u></b>	<b><u>(81,104)</u></b>
<b>Loss attributable to:</b>			
Owners of the Company		(52,480)	(76,931)
Non-controlling interests		<u>(18,981)</u>	<u>(2,394)</u>
		<b><u>(71,461)</u></b>	<b><u>(79,325)</u></b>
<b>Total comprehensive expense attributable to:</b>			
Owners of the Company		(53,266)	(78,710)
Non-controlling interests		<u>(18,981)</u>	<u>(2,394)</u>
		<b><u>(72,247)</u></b>	<b><u>(81,104)</u></b>
		<b>RMB cents</b>	<b>RMB cents</b>
<b>Loss per share</b>			
- Basic and diluted	8	<u>(13.12)</u>	<u>(19.23)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		9,467	11,324
Investment properties	10	14,182	14,216
Right-of-use assets		639	912
Financial assets at fair value through profit or loss		6,690	5,407
Goodwill		27,938	39,828
Other intangible assets		12,251	17,793
Deposit for acquisition of properties	11	487	3,977
Deferred tax assets		2,647	28,107
		<hr/>	<hr/>
Total non-current assets		74,301	121,564
<b>Current assets</b>			
Trade receivables	12	76,772	83,956
Deposits, prepayments and other receivables		51,336	53,870
Amounts due from related companies/ former fellow subsidiaries	13	12,550	16,907
Amounts due from related companies	13	12,098	21,439
Amounts due from non-controlling interests	13	2,326	1,440
Financial assets at fair value through profit or loss		-	1,016
Restricted bank balances		1,390	1,785
Bank balances and cash		69,175	64,765
		<hr/>	<hr/>
Total current assets		225,647	245,178
<b>Current liabilities</b>			
Trade payables	14	74,162	74,466
Contract liabilities		75,504	52,978
Accruals and other payables		130,045	131,321
Lease liabilities		292	298
Amounts due to related companies/ former fellow subsidiaries	13	1,035	2,260
Amounts due to related companies	13	-	21
Amounts due to non-controlling interests	13	1,804	159
Provisions		1,555	-
Tax payable		2,675	11,690
		<hr/>	<hr/>

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Total current liabilities		<u>287,072</u>	<u>273,193</u>
<b>Net current liabilities</b>		<u>(61,425)</u>	<u>(28,015)</u>
<b>Total assets less current liabilities</b>		<u>12,876</u>	<u>93,549</u>
<b>Non-current liabilities</b>			
Lease liabilities		438	696
Deferred tax liabilities		<u>6,045</u>	<u>7,129</u>
Total non-current liabilities		<u>6,483</u>	<u>7,825</u>
<b>Net assets</b>		<u>6,393</u>	<u>85,724</u>
<b>Capital and reserves</b>			
Share capital		3,403	3,403
Reserves		<u>(23,896)</u>	<u>30,652</u>
Equity attributable to owners of the Company		<u>(20,493)</u>	34,055
Non-controlling interests		<u>26,886</u>	<u>51,669</u>
<b>Total equity</b>		<u>6,393</u>	<u>85,724</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Fineland Living Services Group Limited (the “**Company**”) was incorporated as an exempted company in the Cayman Islands with limited liability. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1–1108, Cayman Islands. Its principal place of business is located at Unit B, 17/F., United Centre, 95 Queensway, Admiralty, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are the provision of professional property management services and value-added services for residential and non-residential properties in the People’s Republic of China (the “**PRC**”).

Since 20 March 2024, the Company is directly held as to 24.30% by Mansion Green Holdings Limited (“**Mansion Green**”), as to 16.20% by Aspiring Vision Holdings Limited, as to 15.00% by Huiyu Investment Holdings Limited (“**Huiyu Investment**”) and as to 0.99% by Mr. Huang Peng and/or Mr. Huang Peng’s spouse.

As at 31 December 2025, the Directors consider that the Company was ultimately controlled by Mr. Fong Ming, Ms. Tse Lai Wa and Mr. Huang Peng.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

#### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss and investment properties which have been measured at fair value.

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the Company’s subsidiaries established in the PRC. The functional currency of the Company is Hong Kong dollars (“**HK\$**”). All values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

#### (d) Going concern assessment

The Group recorded a net loss of approximately RMB71,461,000 for the year ended 31 December 2025 and as at 31 December 2025, the Group’s current liabilities exceeded its current assets by approximately RMB61,425,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern.

The Directors have taken the following measures to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) the shareholders of the Group have confirmed that they will provide continuing financial support to the Group to enable it to continue as a going concern and to settle its liabilities as and when they fall due in the foreseeable future;
- (ii) the Group is taking active steps to negotiate the repayment of its liabilities. Subsequent to 31 December 2025, three suppliers of the Group have agreed not to demand for repayment for the amounts due to them with the aggregate amount of RMB16,752,000 before 31 May 2028;
- (iii) implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure; and
- (iv) the Directors anticipate that the Group will generate positive cash flows from its operations in the foreseeable future.

Provided that these measures can be successfully implemented by the Group to improve the liquidity of the Group, the Directors are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Moreover, the eventual outcome of these measures cannot be estimated with reasonable certainty. Hence there exist a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and that the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

### 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### (a) 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.

#### (b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 10 and HKAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Amendments to HKFRS Accounting Standards - Annual Improvements to HKFRS Accounting Standards - Volume 11	1 January 2026
Amendments to HKAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors 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.

### 4. REVENUE AND SEGMENT INFORMATION

#### (a) Revenue

Disaggregation of revenue by each significant category and timing of revenue recognition are as follows:

<b>Reportable segment/ Type of goods or services</b>	<b>Revenue from customers and recognized</b>	<b>2025 RMB'000</b>	<b>2024 RMB'000</b>
<b>Real estate agency services</b>			
Real estate agency services income	at a point in time	<u>719</u>	<u>6,753</u>
<b>Property management services</b>			
Property management services income	over time	<b>303,049</b>	303,733
Value-added services to non-property owners	over time	<b>8,831</b>	13,106
Community value-added services			
- Other value-added services	over time	<b>37,742</b>	44,441
- Sales of goods	at a point in time	<u>415</u>	<u>1,068</u>
		<u><b>350,037</b></u>	<u>362,348</u>
		<u><b>350,756</b></u>	<u>369,101</u>

### ***Unsatisfied performance obligations***

For property management services income, the Group recognizes revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts. The majority of the property management service contracts do not have a fixed term. The term of the contracts is generally set to expire when the counterparties notify the Group that the services are no longer required.

Value-added services to non-property owners and community value-added services are rendered over a short period of time and there is no unsatisfied performance obligation at the end of respective periods.

### **(b) Segment information**

The Group has determined its operating segments and prepared segmental information based on regular internal financial information that is used to report the operating results of business units to the chief operating decision makers ("CODM"), i.e. the executive Directors, who are responsible for making strategic decisions. The CODM review the Group's internal reporting in order to assess the performance and allocate the resources and the Group has determined the operating segments based on these reports. The Group's reportable and operating segments are as follows:

- (i) provision of comprehensive real estate agency services; and
- (ii) provision of professional property management services

### ***Reportable segments***

The CODM monitor the results of its service lines separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on the results from the reportable segments as explained in the table below.

	<b>Year ended 31 December 2025</b>		
	<b>Real estate agency services RMB'000</b>	<b>Property management services RMB'000</b>	<b>Total RMB'000</b>
<b>Segment revenue</b>			
External sales	<u>719</u>	<u>350,037</u>	<u>350,756</u>
Segment loss	<b>(8,218)</b>	<b>(6,589)</b>	<b>(14,807)</b>
Reconciliation:			
Unallocated corporate expenses			<u><b>(40,173)</b></u>
Loss before income tax			<u><b>(54,980)</b></u>

Unallocated corporate expenses mainly comprise legal and professional fees and certain employees' salaries and allowances.

Segment profit/(loss) represents the profit earned by/loss from each segment without allocation of central administration costs, directors' emoluments, legal and professional fees and certain employees' salaries and allowances. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

	Year ended 31 December 2025		
	Real estate agency services RMB'000	Property management services RMB'000	Total RMB'000
<b>Other segment information</b>			
<b>Amounts included in the measure of segment results</b>			
Capital expenditure	-	429	429
Impairment losses on financial assets, net	7,459	59,146	66,605
Depreciation of property, plant and equipment	-	2,097	2,097
Depreciation of right-of-use assets	-	273	273
Amortization of other intangible assets	-	5,542	5,542
Finance costs	-	47	47
Fair value gain on financial assets at fair value through profit or loss	-	(1,283)	(1,283)
Fair value loss on investment properties	336	520	856
Impairment loss of goodwill	-	11,890	11,890
	Year ended 31 December 2024		
	Real estate agency services RMB'000	Property management services RMB'000	Total RMB'000
<b>Segment revenue</b>			
External sales	6,753	362,348	369,101
Segment (loss)/profit	(46,015)	6,095	(39,920)
Reconciliation:			
Loss on derecognition of contingent consideration receivable			(3,855)
Unallocated corporate expenses			(45,557)
Loss before income tax			(89,332)

	Year ended 31 December 2024		
	Real estate agency services RMB'000	Property management services RMB'000	Total RMB'000
<b>Other segment information</b>			
<b>Amounts included in the measure of segment results</b>			
Capital expenditure	-	2,200	2,200
Impairment losses on financial assets, net	46,490	43,572	90,062
Depreciation of property, plant and equipment	89	3,974	4,063
Depreciation of right-of-use assets	-	320	320
Amortization of other intangible assets	-	5,542	5,542
Finance costs	-	1,184	1,184
Fair value gain on financial assets at fair value through profit or loss	-	(591)	(591)
Fair value (gain)/loss on investment properties	(79)	1,023	944
Impairment loss of goodwill	-	7,818	7,818

***Segment assets and liabilities***

As the Group's segment assets and liabilities are not regularly reviewed by the CODM, the measure of total assets and liabilities for each operating segment is therefore not presented.

***Geographical information***

As the CODM consider the Group's revenue and results are all derived from provision of services in the PRC and no significant consolidated assets of the Group are located outside the PRC except bank balances in Hong Kong, geographical segment information is not considered necessary.

***Information about major customers***

The revenue generated from each customer for the year ended 31 December 2024 and 31 December 2025 did not exceed 10% of the Group's total revenue of each of these years.

**5. OTHER INCOME, LOSSES AND GAINS, NET**

	2025	2024
	RMB'000	RMB'000
Fair value loss on investment properties	(856)	(944)
Government grants ( <i>Note</i> )	64	364
Interest income	64	161
Loss on derecognition of contingent consideration receivable	-	(3,855)
Gain arising from disposal of subsidiaries	754	-
Gain arising from deregistration of subsidiaries	3,809	
Exchange (loss)/gain, net	(789)	1,759
Fair value gain on financial assets at fair value through profit or loss	1,283	591
Others	672	96
	<u>5,001</u>	<u>(1,828)</u>

*Note:*

*The government grants mainly represent refunds of value-added tax and other taxes benefits from the PRC tax authorities. There were no unfulfilled conditions relating to the grants.*

## 6. LOSS BEFORE INCOME TAX

This is arrived at after charging/(crediting):

	2025 RMB'000	2024 RMB'000
Auditor's remuneration		
- audit services	1,518	1,552
Amortization of other intangible assets (included in administrative expenses)	5,542	5,542
Depreciation of property, plant and equipment	2,097	4,063
Depreciation of right-of-use assets	273	320
Gain on disposal of property, plant and equipment	-	(5)
Interest expenses on lease liabilities	47	57
Interest expenses on bank borrowings	-	1,127
Employee benefit expenses	136,810	150,600
Short-term leases expenses	2,807	4,043
Impairment losses/(reversal of impairment losses) on financial assets, net, recognized on:		
- trade receivables:	27,371	43,617
- amounts due from related companies/ former fellow subsidiaries ( <i>Note</i> )	14,436	22,605
- amounts due from related companies	16,017	21,854
- amounts due from non-controlling interests	(135)	44
- deposits for acquisition of properties	3,490	(89)
- other receivables	5,426	2,031
	<u>66,605</u>	<u>90,062</u>

*Note:*

As at the beginning of the year ended 31 December 2024, the immediate and ultimate holding companies of the Company were Mansion Green and Widethrive Investments Limited ("**Widethrive Investments**"), respectively, which were incorporated in the British Virgin Islands. Mr. Fong Ming and Ms. Tse Lai Wa were parties acting in concert in respect of the Company.

On 24 January 2024, Mr. Fong Ming and Mansion Green entered into a share transfer agreement with Huiyu Investment, an independent third party wholly-owned by Mr. Huang Peng, to dispose of 60,000,000 shares of the Company (representing 15.00% of the total issued share capital). To facilitate the disposal, a share swap was also entered into on the same date. Following the transaction, a new deed of concert was entered into among Mr. Fong Ming, Ms. Tse Lai Wa and Mr. Huang Peng. Further details are set out in the announcement of the Company dated 24 January 2024. The completion took place on 20 March 2024 (the "**Completion Date**").

Since Fineland Group Holdings Company Limited ("**Fineland Group Holdings**") and its subsidiaries (collectively the "**Fineland Group**", excluding the Group) are controlled by Widethrive Investments, Fineland Group Holdings' subsidiaries are the fellow subsidiaries of the Company up until the Completion Date. Subsequent to the Completion Date, Fineland Group Holdings' subsidiaries changed from fellow subsidiaries to related companies of the Group.

## 7. INCOME TAX

The amounts of income tax in the consolidated statement of profit or loss and other comprehensive income represent:

	2025 RMB'000	2024 RMB'000
Current tax - PRC Enterprise Income Tax ("EIT")		
- provision for the year	2,825	1,531
- over-provision of previous years	(10,364)	-
Deferred tax	24,020	(11,538)
	<u>16,481</u>	<u>(10,007)</u>

Notes:

- (i) No Hong Kong profits tax has been provided as the Group has no estimated assessable profits arising in Hong Kong for the current and prior years.
- (ii) Under the PRC EIT Law, the Group's PRC entities are subject to income tax at a rate of 25%, except for certain subsidiaries which qualified as small enterprises and micro businesses and enjoy preferential income tax rate of 5% (2024: 5%) respectively for the year ended 31 December 2025.

## 8. LOSS PER SHARE

	2025 RMB'000	2024 RMB'000
Loss for the year attributable to the owners of the Company (RMB'000)	(52,480)	(76,931)
Weighted average number of ordinary shares for the purpose of basic loss per share	400,000,000	400,000,000

Diluted loss per share is the same as basic loss per share as there were no dilutive potential ordinary shares outstanding for the years ended 31 December 2025 and 2024.

## 9. DIVIDENDS

No dividend was paid or declared by the Company during the year (2024: Nil), nor has any dividend been proposed since the end of the current reporting period.

## 10. INVESTMENT PROPERTIES

The Group has the intention to hold investment properties to earn rentals or for capital appreciation. As at 31 December 2025, the Group leases out one (2024: one) investment property which is a shop, and the Group has the intention to hold remaining investment properties which are ten (2024: ten) shops, eight (2024: five) car parking spaces and one (2024: nil) residential property to earn rentals or for capital appreciation.

Investment properties were revalued at 31 December 2025 and 2024 on the open market value basis by reference to market evidence of recent transactions for similar properties by Cushman & Wakefield Limited, an independent firm of chartered surveyors.

A shop of the Group, with a fair value of RMB613,000 as at 31 December 2025 (2024: RMB686,000), was frozen by the relevant regulatory authorities on 20 October 2025 for auction or sale due to the Group's loss in a labor arbitration case. As at 31 December 2025 and up to the date of this report, the auction or sale for the shop has not yet been completed.

	2025 RMB'000	2024 RMB'000
As at 1 January	14,216	-
Additions	822	14,835
Reclassification from property, plant and equipment	-	426
Disposal	-	(101)
Fair value loss	(856)	(944)
As at 31 December	<u>14,182</u>	<u>14,216</u>

## 11. DEPOSIT FOR ACQUISITION OF PROPERTIES

On 21 June 2023, Guangzhou Fineland Living Services Limited\* (廣州方圓生活服務有限公司) (“**Fineland Living Services**”) (as the purchaser), an indirectly wholly-owned subsidiary of the Company, and a customer of the Group (as the vendor) entered into a settlement agreement, pursuant to which, Fineland Living Services has conditionally agreed to procure Fineland Living Services or its nominated subsidiary(ies) to pay a cash deposit of RMB3,988,000 and set-off the outstanding trade receivables of RMB15,951,000 owed to the Group by the vendor, by way of accepting the transfer of the properties with total market value of RMB20,000,000 from the vendor to the Group.

On 28 November 2025, as the delivery of the physical possession of the properties could not take place as originally scheduled, the conditions precedent set out in the agreement could not be fulfilled on or before 28 November 2025. Fineland Living Services notified the Vendor in writing that the settlement agreement was fully rescinded on the same date pursuant to its terms.

During the year ended 31 December 2025, the Group provided ECL allowance of RMB3,501,000 (2024: RMB11,000) on the deposit with reference to a valuation performed by Cushman & Wakefield, an independent expert valuation firm.

## 12. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	184,474	166,224
Less: impairment losses	<u>(107,702)</u>	<u>(82,268)</u>
	<u>76,772</u>	<u>83,956</u>

Trade receivables are mainly receivables of property management services income and real estate agency services income and no credit terms are granted generally. For property management services income, the customers are required to settle the invoices which are due on presentation. For real estate agency services income, the customers are required to settle the amounts due upon completion of services provided or pursuant to the terms and conditions of the relevant agreements. The ageing analysis of trade receivables (net of impairment losses) based on invoice date (which is also the due date) as at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	55,074	61,946
1 to 2 years	17,053	17,975
Over 2 years	<u>4,645</u>	<u>4,035</u>
	<u>76,772</u>	<u>83,956</u>

## 13. AMOUNTS DUE FROM/TO RELATED COMPANIES/FORMER FELLOW SUBSIDIARIES, RELATED COMPANIES AND NON-CONTROLLING INTERESTS

The amounts due from/to related companies/former fellow subsidiaries, related companies and non-controlling interests as at 31 December 2024 and 2025 are trade in nature, unsecured, interest-free and they are obliged to settle the amounts due upon completion of services provided or pursuant to the terms and conditions of the relevant agreements. The related companies are investee companies of the Fineland Group and there are common directors between Fineland Group Holdings and the investee companies.

Included in the amounts due from related companies/former fellow subsidiaries at the reporting date are earnest money of RMB3,638,000, after impairment losses of RMB26,179,000 (2024: RMB24,294,000) paid by the Group to the property developers enabling the Group to entitle to an exclusive agency right to sell properties in the primary market projects during an agreed period ("**Exclusivity Period**"). The earnest money will be released to the Group at the end of the Exclusivity Period as stipulated in the respective agreements.

The ageing analysis of amounts due from related companies/former fellow subsidiaries, related companies and non-controlling interests, based on invoice date (which is also the due date), is as follows:

	2025 RMB'000	2024 RMB'000
<b>Amounts due from related companies/ former fellow subsidiaries</b>	<b>107,806</b>	97,727
Less: impairment losses	<u>(95,256)</u>	<u>(80,820)</u>
	<u><b>12,550</b></u>	<u>16,907</u>
Within 1 year	632	846
1 to 2 years	535	962
Over two years	<u>11,383</u>	<u>15,099</u>
	<u><b>12,550</b></u>	<u>16,907</u>

Movements in the loss allowance account in respect of amounts due from related companies/former fellow subsidiaries during the year are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	80,820	58,215
Impairment losses recognized during the year	<u>14,436</u>	<u>22,605</u>
As at 31 December	<u><b>95,256</b></u>	<u>80,820</u>

	2025 RMB'000	2024 RMB'000
<b>Amounts due from related companies</b>	<b>67,035</b>	63,802
Less: impairment losses	<u>(54,937)</u>	<u>(42,363)</u>
	<u><b>12,098</b></u>	<u>21,439</u>
Within 1 year	260	2,905
Over 1 year	<u>11,838</u>	<u>18,534</u>
	<u><b>12,098</b></u>	<u>21,439</u>

Movements in the loss allowance account in respect of amounts due from related companies during the year are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	42,363	20,509
Impairment losses recognized during the year	16,017	21,854
Impairment losses written off during the year	<u>(3,443)</u>	<u>-</u>
As at 31 December	<u><u>54,937</u></u>	<u><u>42,363</u></u>

	2025 RMB'000	2024 RMB'000
<b>Amounts due from non-controlling interests</b>	<b>2,351</b>	<b>1,600</b>
Less: impairment losses	<u>(25)</u>	<u>(160)</u>
	<u><u>2,326</u></u>	<u><u>1,440</u></u>
Within 1 year	2,326	-
Over 1 year	<u>-</u>	<u>1,440</u>
	<u><u>2,326</u></u>	<u><u>1,440</u></u>

Movements in the loss allowance account in respect of amounts due from non-controlling interests during the year are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	160	116
Impairment losses (reversed)/recognized during the year	<u>(135)</u>	<u>44</u>
As at 31 December	<u><u>25</u></u>	<u><u>160</u></u>

The ageing analysis of amounts due to related companies/former fellow subsidiaries, related companies and non-controlling interests based on invoice date as at the end of the reporting period is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Amounts due to related companies/ former fellow subsidiaries</b>		
Within 1 year	<b>494</b>	2,260
Over 1 year	<b>541</b>	-
	<b>1,035</b>	2,260
<b>Amounts due to related companies</b>		
Within 1 year	-	21
<b>Amounts due to non-controlling interests</b>		
Within 1 year	<b>120</b>	159
Over 1 year	<b>1,684</b>	-
	<b>1,804</b>	159

#### 14. TRADE PAYABLES

The amounts mainly represented the commissions payable to co-operative real estate agents and payable to the property management service providers. The ageing analysis of trade payables based on invoice date (which is also the due date) as at the end of the reporting period is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Within 1 year	<b>55,742</b>	62,696
Over 1 year	<b>18,420</b>	11,770
	<b>74,162</b>	74,466

The Directors consider that the carrying amounts of trade payables approximate their fair values as at the end of the reporting period. Trade payables are interest-free and the normal trade credit terms granted to the Group range from 30 days to 180 days from the date of invoice.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In 2025, the Group operated within a macroeconomic environment that continued to present both challenges and opportunities for the real estate and property management sectors. Amidst these evolving market conditions, the Company adhered to its refined strategic roadmap, prioritizing steady growth and operational resilience. Over the past years, the Company has proactively optimized its business structure to further concentrate on its core competency: the development of property management services and their complementary value-added services. As part of this strategic realignment, the Company has gradually reallocated resources to consolidate and strengthen its presence in the property management sector, which has unequivocally become the principal driver of the Group's revenue stream.

In response to the dynamic market landscape, the Group has maintained focus on service quality and customer satisfaction. The Company believes that a steadfast commitment to high-quality service delivery is the most effective strategy for navigating market cycles and retaining value. Looking ahead to 2026, the Group remains committed to its strategy of steady and sustainable growth. The Group will actively address prevailing market challenges while diligently seizing new opportunities within the property management industry. Through prudent resource allocation and continuous service enhancement, we will continue to deliver high-quality services to our customers and create greater value for shareholders of the Company (the "**Shareholders**").

The Group's total revenue amounted to approximately RMB350.8 million for the year ended 31 December 2025, representing a decrease of approximately 5.0%, from RMB369.1 million in the corresponding period of 2024, which was mainly due to the decline in revenue generated from property management services.

#### **Comprehensive Real Estate Agency Services Segment**

Revenue recorded from real estate agency services was approximately RMB0.7 million for the year ended 31 December 2025, representing a decrease of 89.4% from RMB6.8 million for the year ended 31 December 2024.

The dramatic decrease is a direct result of the Company's strategic decision to systematically scale down this segment over the past years. In alignment with our broader corporate realignment, operations were progressively wound down, with the remaining activities effectively paused during the current fiscal year. Consequently, this segment has contributed minimal revenue.

## **Professional Property Management Services Segment**

Property management services segment consists of (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services. Revenue recorded from professional property management services segment was approximately RMB350.0 million for the year ended 31 December 2025, representing a decrease of 3.4%, from approximately RMB362.3 million for the year ended 31 December 2024, which was mainly due to the decrease of approximately RMB4.3 million from value-added services to non-property owners and the decrease of approximately RMB7.4 million from community value-added services.

### ***Property management services***

Property management services are mainly for real estate developers and property owners. Services provided include standard property management services and ancillary services such as cleaning, gardening, security, repair and maintenance and butler services. The Group provides services for residential and non-residential properties, including public facilities, office buildings, industry parks, schools, etc. Revenue recorded for property management services was approximately RMB303.0 million for the year ended 31 December 2025, representing a decrease of 0.2% from approximately RMB303.7 million for the year ended 31 December 2024.

Contracted gross floor areas ("**GFA**") as at 31 December 2025 is approximately 17.5 million square meters, representing a decrease of 6.4% compared with approximately 18.7 million square meters as at 31 December 2024, and GFA under management was approximately 14.3 million square meters, representing a decrease of 5.3% compared with approximately 15.1 million square meters as at 31 December 2024.

### ***Value-added services to non-property owners***

Value-added services to non-property owners are mainly for real estate developers. Services include cleaning, security and maintenance services for pre-sale display units and sales offices, etc. Revenue recorded for value-added services to non-property owners was approximately RMB8.8 million for the year ended 31 December 2025, representing a decrease of 32.6% from RMB13.1 million for the year ended 31 December 2024. This was mainly due to ongoing operational challenges faced by real estate developers, which reduced demand for related services. In addition, the Group strategically scaled back its exposure to this segment in light of market conditions and risk management considerations.

### ***Community value-added services***

Community value-added services include common area value-added services, community retail, community media, furnishing services, and other community convenience services to property owners. Revenue recorded for community value-added services was approximately RMB38.2 million for the year ended 31 December 2025, representing a decrease of 16.2% from approximately RMB45.5 million for the year ended 31 December 2024. This was mainly due to the decrease in GFA under management and the demand for such services from the property owners.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue for the year ended 31 December 2025 was approximately RMB350.8 million, representing a decrease of approximately RMB18.3 million or 5.0% as compared to RMB369.1 million for the year ended 31 December 2024. Such decrease was primarily attributable to the decrease in revenue generated from professional property management services of approximately RMB12.3 million and revenue generated from real estate agency services of approximately RMB6.0 million.

### **Cost of Services**

For the year ended 31 December 2025, the cost of services of the Group amounted to approximately RMB291.3 million, representing a decrease of approximately 6.0% as compared to RMB309.8 million for the year ended 31 December 2024. The decrease was mainly due to the decrease in GFA under management and numbers of frontline employees in property management segment.

### **Selling and Marketing Expenses**

For the year ended 31 December 2025, the selling and marketing expenses of the Group were approximately RMB0.6 million, representing an increase of approximately RMB0.4 million as compared to approximately RMB0.2 million for the year ended 31 December 2024, which was primarily attributable to the upgrade of brand identity systems for several projects and related marketing activities, aimed at enhancing brand recognition and influence.

### **Administrative Expenses**

For the year ended 31 December 2025, the administrative expenses of the Group were approximately RMB40.3 million, representing a decrease of approximately 15.2% as compared to approximately RMB47.5 million for the year ended 31 December 2024. Such decrease was primarily due to the decrease in the number of staff in general administration and the Company's enduring cost control measures.

### **Other Income, Losses and Gains**

For the year ended 31 December 2025, the Group recorded gains of approximately RMB5.0 million, as compared to losses of approximately RMB1.8 million for the year ended 31 December 2024. This was mainly due to (i) the decrease of fair value loss on derecognition of contingent consideration receivable of approximately RMB3.9 million, and (ii) gains arising from disposal and deregistration of subsidiaries of approximately RMB4.6 million, which was partially offset by the exchange loss.

## Net Impairment Losses on Financial Assets

For the year ended 31 December 2025, the net impairment losses on financial assets of the Group were approximately RMB66.6 million, representing a decrease of approximately 26.0% as compared to approximately RMB90.1 million for the year ended 31 December 2024. The net impairment losses on financial assets were primarily attributed to the provision for impairment loss on trade receivables and related party receivables of approximately RMB27.4 million and RMB30.5 million, respectively, which were mainly due to (i) the continued downward movement in the real estate industry and challenging economic conditions; and (ii) recovery of trade receivables and amounts due from related parties continued to be slow. Specifically, (i) there was a significant increase in trade receivables related to property management services that were overdue for three or more years as at 31 December 2025; (ii) our related companies/former fellow subsidiaries have recorded a relatively low debt service coverage ratio, as reflected in their consolidated financial statement for the six months ended 30 June 2025; and (iii) we recorded a relatively low repayment rate from our related parties. In light of these factors and out of prudent financial management, the Group has made corresponding impairment provisions.

## Assessment of the ECL Allowance

The Company has engaged an independent professional valuer, Cushman & Wakefield Limited<sup>1</sup>, to assist with the assessment of the expected credit losses (“ECL”) allowance for trade receivables and related party receivables. The independent valuer adopted the expected credit loss model to estimate the lifetime expected credit loss of the financial instruments (i.e., the Group’s trade receivables and related party receivables) in accordance with HKFRS 9. For the Group’s trade receivables and related party receivables without expected repayment schedule, the expected credit loss rate is estimated based on the corporate default rate, loss given default and forward-looking adjustments. For the Group’s trade receivables and related party receivables with expected repayment schedule, the expected credit loss is estimated based on the discounted repayment cash flow. The same valuation method had been consistently applied on the assessment of ECL allowance for the impairment losses on financial assets as at 31 December 2025. As at the date of this announcement, there have been no subsequent changes to the valuation method used. As at 31 December 2025, there was no significant change in the default rate inputs and the expected loss rate of the Group’s amounts due from related companies that are in real estate sector compared to those as at 31 December 2024.

Set out below are the default rate inputs and expected loss rate of the Group's related party receivables as at 31 December 2025 and 31 December 2024 based on the valuation report issued by the independent professional valuer:

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<sup>1</sup> Cushman & Wakefield Limited is an international valuation advisory firm that has provided valuation services to many listed companies for their financial reporting purposes.

	As at 31 December 2025		As at 31 December 2024	
	Loss given default	Expected loss rate	Loss given default	Expected loss rate
<b>Related companies/ former fellow subsidiaries</b>				
Non-pledged	88%	88%-94%	80%-81%	81%-94%
<b>Related companies</b>				
Non-pledged	80%-88%	32%-88%	64%-80%	25%-94%

### Net Impairment Losses on Goodwill

During the year ended 31 December 2025, the Group recorded an impairment of goodwill of approximately RMB11.9 million, which was primarily due to the fact that the business of some of the subsidiaries acquired in previous years did not have an anticipated growth, resulting in a decrease in its revenue and profit and a lower expectation of future growth. As at 31 December 2025, the Group's goodwill was RMB27.9 million after the aforesaid impairment, representing a decrease of 29.9% as compared with RMB39.8 million as at 31 December 2024. A valuation has been conducted by an independent professional valuer, Cushman & Wakefield Limited, in relation to the impairment assessment.

### Net Profit Margin

The net profit margin narrowed to -20.4% for the year ended 31 December 2025 as compared to -21.5% for the year ended 31 December 2024. This improvement was mainly due to the decrease of the impairment losses recognized of approximately RMB23.5 million and administration expenses of approximately RMB7.2 million, which was partially offset by the increase of income tax of approximately RMB26.5 million.

### Loss for the Year

As a result of the factors discussed above, the Group made a net loss for the year ended 31 December 2025 of approximately RMB71.5 million, narrowed from approximately RMB79.3 million for the year ended 31 December 2024.

### Equity Attributable to Owners of the Company

Despite the narrowed net loss for the year ended 31 December 2025 as compared to the year ended 31 December 2024, the remaining loss was still considerable. As a result, the total equity was approximately RMB6.4 million, with equity attributable to owners of the Company was negative at RMB20.5 million as at 31 December 2025.

## **Investment Properties**

As at 31 December 2025, the Group's investment properties consisted of car parking spaces and commercial properties, which was mainly due to the settlement transactions entered into by the Company on 6 December 2023 to set-off outstanding receivables owed to the Group by Guangzhou Fineland Real Estate Development Limited\* (廣州市方圓房地產發展有限公司)'s subsidiaries and Guangzhou Zengcheng Fangyuan Mingsheng Real Estate Limited\* (廣州市增城區方圓明盛房地產有限公司). For details of the settlement transactions, please refer to the announcement of the Company dated 6 December 2023 and the circular of the Company dated 22 December 2023. As at 31 December 2025, the Group's investment properties amounted to approximately RMB14.2 million, close to the fair value of investment properties as at 31 December 2024, with a decrease of 0.2%. The decrease was mainly due to the fair value loss of approximately RMB0.9 million, which was partially offset by approximately RMB0.8 million in efforts to collect trade receivables.

## **Liquidity and Financial Resources**

In 2025 and 2024, the Group's main source of funds was cash generated from operating activities.

As at 31 December 2025, the Group had net current liabilities of approximately RMB61.4 million (as at 31 December 2024: approximately RMB28.0 million), total assets of approximately RMB299.9 million (as at 31 December 2024: approximately RMB366.7 million) and negative equity attributable to owners of the Company of approximately RMB20.6 million (as at 31 December 2024: positive equity attributable to owners of approximately RMB34.1 million).

As at 31 December 2025, the total bank balances and cash (restricted bank balances: approximately RMB1.4 million) of the Group amounted to approximately RMB70.6 million (as at 31 December 2024: approximately RMB66.6 million).

## **Trade Receivables and Related Party Receivables**

Trade receivables and related party receivables are mainly receivables attributable to the provision of the Group's property management services, real estate agency services and earnest money paid to the property developers to entitle to an exclusive agency right to sell properties in the primary market projects during an agreed period. Trade receivables, amounts due from related companies/former fellow subsidiaries and amounts due from related companies decreased, from approximately RMB84.0 million, RMB16.9 million and RMB21.4 million, respectively, as at 31 December 2024 to approximately RMB76.8 million, RMB12.6 million and RMB12.1 million, respectively, as at 31 December 2025, which are primarily due to the decrease in revenue generated, effective measures taken to collect receivables, and continued provision of impairment losses in light of the current market environment.

## **Contingent Liabilities**

The Group had no material contingent liabilities as at 31 December 2025 (2024: Nil).

## Significant Investments

For the year ended 31 December 2025, no significant investment was held by the Group.

## Material Acquisition and Disposals

The Group had no material acquisition or disposal of subsidiaries, associates or jointly controlled entities for the year ended 31 December 2025.

## Pledged Assets of the Group

The subsidiary of the Company and Agricultural Bank of China Limited Guangzhou Beixiu branch (“**Agricultural Bank**”) mutually agreed to extend the bank loan of approximately RMB19,930,000 to 13 November 2024, carrying a fixed rate of 4% per annum, which is secured, among others, by certain trade receivables of Fineland E-Life Service Co., Ltd.\* (廣州方圓現代生活服務股份有限公司) (“**Fineland E-life**”). The subsidiary of the Company pledged approximately 68.9% equity interests in Fineland E-life to the Agricultural Bank.

The bank loan has been fully repaid by the end of the term, and the procedures for the release of the equity pledge have been completed as at 31 December 2025.

## PROSPECTS

As we look to the year ahead, the property management sector stands at a pivotal juncture—shaped by intensifying policy reforms, accelerating technology adoption, and a fundamental reorientation toward quality-driven growth. According to the China Index Academy, the first two months of 2026 saw leading property enterprises collectively add approximately 123.0 million square meters of new contracted area, with frontrunners expanding aggressively into independent third-party markets. This early momentum signals a continued shift: scale remains relevant, but it is increasingly pursued with discipline, selectivity, and an eye toward long-term value.

The policy landscape entering 2026 is perhaps the most significant in recent years, with regulatory changes that will fundamentally reshape operational fundamentals. A new VAT rule now requires property enterprises to declare and pay taxes on prepaid fees upon receipt, necessitating a fundamental overhaul of financial management systems. Revised standards for special maintenance funds mandate standardized data protocols and full-process digital oversight, creating a unified national infrastructure that will streamline approvals and enhance transparency. The newly promulgated Water Supply Ordinance relieves property managers from long-standing maintenance responsibilities for shared facilities, transferring ownership to specialized water supply units and allowing enterprises to focus on core competencies. Together, these reforms serve to professionalize the sector and clarify accountability across the value chain.

Technology is no longer an adjunct to property management but its central nervous system. The National Development and Reform Commission has outlined an ambitious roadmap for AI-powered procurement, mandating full-scale implementation of intelligent bidding and compliance review systems by 2027. This elevates digital literacy from an operational advantage to a competitive necessity. Leading firms are embedding AI into everyday operations: intelligent patrol systems that automatically classify issues and assign tasks, AI-powered customer service bots handling routine inquiries, and digital employees processing repetitive workflows. The enterprises that thrive in the future will be those that successfully translate technological promise into practical, daily solutions—moving from experimentation to embedded capability.

Property enterprises are shedding the narrow identity of residential caretakers and repositioning themselves as comprehensive urban service providers. The Ministry of Housing and Urban-Rural Development has designated 2026 as the year to implement property service quality improvement actions, encouraging exploration of integrated models that merge property management seamlessly with community life and urban governance. Major players are aggressively diversifying into municipal sanitation, healthcare facilities, educational institutions, government buildings, and industrial parks. Urban service contracts are growing in both scale and sophistication, signaling a profound shift: property enterprises are becoming active partners in urban governance, tasked with enhancing efficiency and improving citizen experience across entire districts.

In response to these evolving trends, the Company will build its core competitiveness through the "Three Dimensions, Six Orientations" framework, a strategy rooted in community self-governance and reinforced by professional service capabilities. On the service dimension, we will strengthen foundations through standardization and intelligentization, driving the productization of foundational services to ensure clarity and consistency while accelerating digital optimization to enhance efficiency and customer experience. On the management dimension, we aim to stabilize operations through greater refinement and transparency, establishing a closed-loop system that encompasses responsibilities, processes, costs, and evaluation while promoting transparent partnerships and rigorous compliance. On the development dimension, we will broaden horizons through integration and profitability, advancing resource consolidation and organizational synergy while ensuring that external growth remains firmly oriented toward sustainable value creation.

Throughout this journey, the Company will adhere steadfastly to principles of prudent and sustainable growth. We will pursue profitability over scale, strength over size, and stability over speed. All business activities will be conducted in full compliance with regulatory requirements, aligned with genuine market demand and worthy of social trust. Transparent governance will remain a non-negotiable cornerstone, with safety prioritized first, liquidity second, and profitability third.

Guided by our operational philosophy of upholding integrity and innovation while empowering growth through synergy and collaboration, we are committed to building reputation through quality and capturing market share through reputation. In doing so, we aim to create sustainable value for Shareholders, provide platforms for employees to thrive, and contribute meaningfully to the communities we serve.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares, as defined under the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) during the year ended 31 December 2025 and thereafter until the date of this announcement. As at 31 December 2025, the Company did not hold any treasury shares.

## **CORPORATE GOVERNANCE**

The Company has complied with the applicable code provisions as set out in the Corporate Governance Code (the "**Code**") as contained in Appendix C1 to the Listing Rules in force during the year ended 31 December 2025. Details of the corporate governance of the Group will be set out in the section headed "Corporate Governance Report" in the annual report of the Company.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

## **REVIEW OF THE ANNUAL RESULTS BY AUDIT COMMITTEE**

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2025. It meets regularly with the management, the external auditors of the Company and the internal audit personnel to discuss the accounting principles and practices adopted by the Group, the risk management and internal control systems, and the financial reporting matters.

## **SCOPE OF WORK OF KTC PARTNERS CPA LIMITED**

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the annual results announcement have been agreed by the Company's external auditors, KTC Partners CPA Limited ("**KTC**"), 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 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 on this annual results announcement.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2025 which has included an emphasis of matter paragraph, but without modification of opinion.

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

## **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to Note 3 to the consolidated financial statements which indicates that the Group incurred a net loss of approximately RMB71,461,000 for the year ended 31 December 2025 and as at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB61,425,000. These conditions, along with other matters as set forth in Note 3(d), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the "**AGM**") will be held on Thursday, 18 June 2026. The notice of the AGM will be published on the Company's website at <http://www.finelandassets.com> and the website of Hong Kong Exchanges and Clearing Limited (the "**Stock Exchange**") at <http://www.hkexnews.hk>.

## **CLOSURE OF THE REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 12 June 2026.

## **FINAL DIVIDEND**

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

## **MATERIAL LEGAL PROCEEDINGS**

### **Litigation against an Independent Third Party**

On 21 June 2023, Guangzhou Fineland Living Services Limited\* (廣州方圓生活服務有限公司) ("**Fineland Living Services**") (as the purchaser), an indirectly wholly-owned subsidiary of the Company, a customer of the Group (as the vendor) entered into a settlement agreement, pursuant to which, Fineland Living Services has conditionally agreed to procure Fineland Living Services or its nominated subsidiary(ies) to pay a cash deposit of approximately RMB4.0 million and set-off the outstanding trade receivables of approximately RMB16.0 million owed to the Group by the vendor, by way of accepting the transfer of the properties with total market value of approximately RMB20.0 million from the vendor to the Group.

On 28 November 2025 (being the Long Stop Date), as the delivery of the physical possession of the properties could not take place as originally scheduled, the conditions precedent as set out in the agreement could not be fulfilled. Fineland Living Services notified the Vendor in writing that the settlement agreement was fully rescinded on the same date pursuant to its terms.

During the year ended 31 December 2025, the Group provided ECL allowance of RMB3.5 million (2024: RMB11,000) on the deposit with reference to a valuation performed by Cushman & Wakefield, an independent expert valuation firm.

Fineland Living Services has initiated legal proceedings against the vendor, and the case has been formally accepted by the competent court on 3 March 2026, and the hearing was scheduled to take place on 15 April 2026. The Company will continue to pursue all available legal avenues to protect its interests and will keep Shareholders informed of any material developments in this matter.

## **Litigation against the Subsidiaries of the Company**

Owners' Committee of Meizhou Tao Ran Jun (the "**Owners' Committee**") initiated litigation against Guangdong Yikang Property Service Co., Ltd.\* (廣東益康物業服務有限公司)("Yikang"), a non-wholly owned subsidiary of the Company, and Meizhou Yi He Kang Property Service Co., Ltd.\* (梅州市益合康物業服務有限公司), a wholly-owned subsidiary of Yikang, claiming for return of common area revenue. The hearing took place in November 2025, but the Company has not yet received the judgment from the court as at the date of this announcement. After due evaluation of the associated risks, the Company has, on a prudent basis, made a provision of approximately RMB1.6 million in respect of the claim. The Company will continue to monitor the progress closely and will make further announcement(s) as and when appropriate.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT**

This annual results announcement is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.finelandassets.com>). The annual report of the Group for the year ended 31 December 2025, which contains all the information required under the Listing Rules, will be despatched to Shareholders and be available on the above websites in due course.

By Order of the Board  
**Fineland Living Services Group Limited**  
**FONG Ming**  
*Chairman*

Hong Kong, 27 March 2026

*As at the date of this announcement, the executive Directors are Mr. FONG Ming, Mr. SUN Ligong, Mr. HAN Shuguang and Ms. TSE Lai Wa; and the independent non-executive Directors are Mr. LEUNG Wai Hung, Mr. TIAN Qiusheng and Mr. DU Chenhua.*